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NUCLEAR WEAPONS REMAIN GISCARD PRIORITY

Paris LE FIGARO in French 4 Oct 79 p 7

[Text] --The president of the republic visited yesterday afternoon the "Saone" maneuver terrain to watch, in the Franche-Comte plains, the beginning of the counter offensive of two tank divisions against a fictitious enemy coming from Alsace and Lorraine.

The maneuver, the most important exercise of the Ground Forces on open terrain organized since World War II, is taking place over five departments (Haute-Saone, Cote-d'Or, Jura, Doubs and Haute-Marne), and involves two tank divisions, the Sixth and Seventh, as well as logistic means for the Army Corps and the Tactical Air Force, that is, about 17,000 men, 900 tanks and 200 aircraft.

The Franche-Comte region was covered with clouds and mist when Mr Valery Giscard d'Estaing arrived to attend the two phases of the exercise: the crossing of the Saone by the amphibious AMX-10 and the AMX-30 units in total submersion of the Sixth Tank Division, and the creation of a bridgehead transported by helicopter from the 1st Infantry Regiment.

According to tradition, the two parties in question were christened: "azure" for the national forces, and for the enemy "carmine," rather than "red," no doubt in order not to offend the sensibilities of some of the 25 foreign military observers, including about 10 representing the Warsaw Pact nations, who accepted the invitation by the president of the republic to attend the maneuvers on Thursday, by virtue of the Helsinki agreement.

After these exercises, Valery Giscard d'Estaing talked to the press. In particular he considered that it was totally incorrect to say that the French nuclear effort was inadequate, an opinion which had been expressed on Tuesday at the National Assembly.

The president of the republic who had just, heard at the Command Post of the maneuver, set up at the Abbaye de la Charite, a report by Gen Lean Lagarde, chief of staff of Ground Forces, and the general

officers responsible for the maneuver, specified that the budget estimates assured "complete allocation" needed for the manufacture of the multiple head M-4 missiles which are to equip the nuclear submarines, as well as that of a sixth missile launching submarine. The head of state added: "I am unable to find any lack of priority for nuclear expenditures," referring to the opinion expressed the day before in the National Assembly at the time of the debate on military programs by Deputy Arthur Paechi (UDF [French Democratic Union]) to the defense minister. On the other hand, as a result of the controversy arising in France in the area of priority in the sector of defense policy, Mr Giscard announced that "at a future period" he would be led to "specifying in writing" France's position on some defense problems.

According to the president of the republic, besides pursuing maneuvers of the "Saone" type, using classical combat means, another maneuver involving the use of tactical nuclear arms, of the type which had taken place last winter in the Federal German Republic, would be organized next year. He added that: "This would be done to enable us to progress in the order of the circumstances and hypotheses leading to the involvement of our tactical nuclear arms."

Weapons Theft

Four armed men, wearing wigs attacked at 1330 yesterday at the Saint-Vit exit (Doubs), two young members of the contingent. Within the framework of the "Saone 79" maneuvers, these two soldiers belonged to the 607th Road Regiment, and had been posted as orderlies at the junction of two state highways to direct the convoys. It was then that the automobile, a blue GS model, stopped abreast of them. Four men got out, and, threatening them with weapons, robbed a machine gun of the A.52 type and two submachine guns of the Mat 49 type, then escaped in the direction of Dole.

All the road blocks set up by the police did not allow the arrest of the four criminals.

Meanwhile, several political parties, trade unions and associations of the Haute-Seine protested with tracts, posters and public meetings against the execution of maneuvers in this department.

One pamphlet, issued on the initiative of the CFDT (French Democratic Confederation of Labor), the CGT (General Confederation of Labor), the Socialist Party, the PSU (Unified Socialist Party), the Nonviolent Movement, the Friends of the Land, the Departmental Center for Young Agriculturists, the Movement for Farmer Action and Larzac committees, protested against "the exorbitant cost of these maneuvers at a time of crisis" and the "enormous wastage" resulting from them.

CSO: 3100
9018

SECOND CHAMBER DOUBTS DEFENSE BUDGET SUFFICIENT

Rotterdam NRC HANDELSBLAD in Dutch 8 Nov 79 p 3

[Text] The Hague, 8 November--A large majority of the members of the Second Chamber doubts whether the defense budgets for a period of several years are actually sufficient to finance the long-term planning now in existence. The groups of the representatives in Parliament of the two coalition parties, the CDA [Christian Democratic Appeal] and the VVD [People's Party for Freedom and Democracy], expressed their concern over this matter in general terms during the discussion of the defense budget which began yesterday.

The largest opposition group in Parliament, the PvdA [Labor Party] group, believes that now, or in a short time, a solution must be found by imposing limitations on the defense effort.

Mr A. Stemerding, of the PvdA, pointed out that the Ministry of Defense, in its estimates, actually takes too large a growth (3 percent) of the national income in the coming years as its starting point. Moving on to the alternative opposition plan called "Practical Defense Policy III," which was published in September 1979, he stated that he felt it necessary, for political and financial reasons, for the Navy to concentrate only on ships in the future (that is, after the ORION aircraft which have just been ordered for the naval air force have been put out of service) and for the air force to limit itself to aircraft--in other words, that, among other things, the air defense system of the HAWK type will not be replaced in the future.

In regard to the ground forces, the former minister wants to have the basic missions retained, except that he is against the appropriation of extra money to increase the reaction speed of the First Army Corps in the Federal Republic of Germany.

Van Lent

In regard to the last point, indeed, Minister Scholten also received critical questions from Couprie, of the CDS, Ploeg, of the VVD, and Brinkhorst, of D'66 [Democrats '66]. Couprie complained about the summary financial

explanation of the budget, but he also criticized the economy which Mr Stemerding indicated in his alternative plan (particularly in the personnel area, which, according to Couprie, is already so overburdened) even more sharply.

While Minister Schooten and State Secretary Van Eekelen were being reproached (materially) by the opposition for following a conservative policy and praised by the coalition parties for their administrative soundness, State Secretary Van Lent (for personnel matters) came under heavy criticism again.

Mr K.G. de Vries, of the PvdA, in particular, repeated once again the statement that that state secretary, in his opinion, does not function well, does not work together with the special-interest organizations well and is not evolving any policy, or is evolving a policy that is too sluggish. According to De Vries and Brinkhorst, it would be better for the state secretary just to leave, however difficult such a thing may be in the circumstances prevailing in the Netherlands.

The group of Van Lent's kindred spirits--the political group of the CDA--did not intervene against this offering of criticisms. Quite the contrary, since Mrs Korte-Van Hemel, of the CDA, also spoke complainingly about the slow rate of speed displayed in putting policy into practice--where nationwide liability to military service and a position in regard to a (mixed) army of volunteers are concerned, for example. Mr De Vries reintroduced (in a somewhat modified form) a motion concerning the termination of the exemption from military service of the holders of theological offices (and theological students, too) which had been presented earlier, with the help of Dekwaadsteniet, of the CDA. The exemption (and the introduction of a general occupational law in special cases) [words missing].

The minister and the two state secretaries were to answer today.

9258

CSO: 3105

MAVROS CALLS FOR SEVERANCE OF GREEK, CYPRIOT DIALOG WITH TURKEY

AT22135. Athens TO VIMA in Greek 22 Nov 79 p 10 AT

[Statement by Georgios Mavros, former leader of the center and EDIK, on Demirel's Policy Statement]

[Text] Georgios Mavros made the following statement:

"Demirel's provocative statements, exactly similar to Ecevit's previous statements, are made exclusively for internal consumption and are aimed at two fundamental goals: 1--to support the crumbling minority governments which succeed one another in Ankara and, 2--to divert the attention of the suffering Turkish people from the burning social and economic problems raging in our neighboring country by creating a climate of aggressive chauvinism. The only result of this will be to further deteriorate the already bad situation in Turkey.

"On the part of Greece we must in no way take such statements seriously and, most of all, we must not let it be thought that we are concerned or irritated by such statements because this could, without any reason, create concern among public opinion.

"The government's lukewarm reaction, limited to a simple expression of regret because Demirel's statements hinder Greek-Turkish dialog, could conceivably create the impression that Greece begs for dialog with Turkey and simply desires a suitable climate for the conduct of such a dialog. With such a position we help maintain the climate of continual Turkish blackmail and threats against Greece, in other words, we play the game of the Turks.

"It is time to put an end to such tactics. The forthcoming Chamber of Deputies debate provides the opportunity to express the national policy on this matter through a joint line between the government and the opposition parties. This line can be none other than immediate severance of any dialog with Turkey which may have to do with negotiations on Greek sovereign rights and the unreserved support of the Cyprus Government for the severance of any intercommunal dialog so long as UN resolutions are not implemented and the Turkish military occupation of Cyprus continues. Only such a firm and unwavering statement, expressing the sum total of the Greek nation, can put an end to Turkish threats and return the Turkish Government to reality."

CSO: 4908

PAPANDREOU WANTS RE-EVALUATION OF GREEK-TURKISH RELATIONS

AT201643 Athens ELEVHEROTYPIA in Greek 20 Nov 79 p 16 AT

[ELEVHEROTYPIA correspondent Louis Danos reports Papandreou's statement to Greek journalists in Budapest]

[Excerpts] Budapest, 20 Nov--The government has an obligation to reevaluate its tactics on relations with Turkey, said PASOK's Chairman Andreas Papandreou while addressing Greek press representatives late last night as soon as he was informed of the provocative policy statements by Turkish Prime Minister Suleyman Demirel.

PASOK's chairman stressed the following:

"Demirel's policy statements demonstrate once again that Turkey has not only failed to abandon its expansionist aspirations on the Aegean but that now it proceeds to threats and reactions.

"The Greek Government has the obligation to proceed directly to a reevaluation of the tactics it is following on relations with Turkey. Under such conditions what meaning could there be in negotiations on the continental shelf and control of Aegean airspace? On the contrary they only legalize Turkish expansionist aspirations and intentions.

"The government ought to realize that the threats unleashed by an 'allied' country within the framework of NATO are most certainly guided by the United States and the alliance. It is obvious that defense of our country's sovereign rights is neither strengthened nor promoted by our remaining within the alliance."

Explaining the above Papandreou told Greek press representatives that:

1--This is a totally unacceptable provocation which creates an extremely serious and virtually explosive situation because Demirel appears to be undertaking extremely serious obligations toward the Turkish nation.

2--The policy now implemented by Demirel is identical to that followed by the United States and NATO and was most certainly undertaken with the approval if not the encouragement of Washington and Brussels.

3--From now on there is absolutely no limit and basis for any negotiations with Turkey.

4--The time has arrived when the government should seriously consider the situation and it must accept its responsibilities in face of the new threat against our people's sovereign rights.

The statement of the majority opposition leader was made after the 5-hour consultations held between PASOK's delegation (I. Kharalambopoulos, Melina Merkouri, Karolos Papoulias and others) with Istvan Sarlos, chairman of the Patriotic Peoples Front and Hungarian Foreign Minister Puja.

All aspects of the recent progress of the People's Republic of Hungary toward socialism were exhaustively examined to a great depth with Sarlos who is also a member of the politbureau of the Hungarian Socialist Worker's Party (as the communist party is called here.)

Sarlos underlined, "We aspire to guarantee the active participation of the people themselves in nearly all processes and to a very significant degree we have achieved it."

During the afternoon's 3-hour meeting with Foreign Minister Puja and his main aides, discussion centered on the problem of European security in conjunction with the Brezhnev proposal and there was a broad discussion of the problems of the Aegean, Cyprus and the situation in the Middle East.

On the Aegean Puja stated, "Satisfaction of Turkish claims would be tantamount to converting the Aegean into a closed sea. Consequently apart from the violation of international treaties any such 'arrangement' would seal the only way out which socialist countries have toward the Mediterranean." [Passage dealing with Papandreu's visits to various plants and description of his departure from Ellinikon Airport in Athens omitted.]

CSO: 4908

OFFICIAL DEPLORES CRITICISM, WEAKENING OF INTELLIGENCE SERVICES

Hamburg DIE ZEIT in German 26 Oct 79 p 5

[Article by Hans Josef Horchem: "The Ostracized Protectors of the Constitution -- Concentrated Criticism of Intelligence Services Incapacitates Government Warning Systems"]

[Text] Apprehension over the situation in Italy and the example of the CIA is worrying the guardians of security. The chief of the Hamburg Office for the Protection of the Constitution sounds an alarm.

There are experts who regard the increasing attacks on the FRG's security agencies as a campaign and attribute them to a substantial degree to the venom turned out by the "misinformation" department of the KGB, the Soviet intelligence service. There is no evidence of this. But since December 1978 to the present, not a single week has passed without the appearance in one of the leading German periodicals or supraregional newspapers of an "expose" on the Office for the Protection of the Constitution [BfV], the Counterintelligence Service (MAD), the Federal Intelligence Service (BND), the Federal Criminal Police Bureau or the police in general along with the Federal Prosecutor's Office. Some of the attacks have even been serialized. Articles questioning the democratic image of the Federal Armed Forces continue to appear sporadically.

It is fruitless to speculate whether this can be assessed as a campaign influenced by the KGB or whether it is merely a case of a few nimble journalists who are taking advantage of a shift of mood in which sizable social structures have taken on the nature of a hospital. To the victim it is ultimately immaterial whether his exit is precipitated by murder, manslaughter or suicide.

The Federal Armed Forces, and with it the MAD, will have a grace period of substantial duration. The BND will continue to be granted a certain operational leeway, because even to utopians and advocates of systemic change, information from foreign intelligence is still acceptable for the time being -- perhaps even useful. But the police, whose members are starting to be

called social engineers, will have to redirect their work toward sociotherapeutical measures to a greater extent than before. In an era when the guilt of the criminal is being made relative by the search for extraneous causes, there is scarcely room for prevention. The state is increasingly dealing with the consumer's proprietary attitude like a public service enterprise. Consequently, one can only recommend to the Federal Prosecutor's Office that it withdrew into the esoteric realms of subtle interpretation of the law. For the BfV, nothing remains but to expire elegantly.

A Bobbing Target

The self-image of the BfV has suffered from its inception from the fact that its critics were overly quick to compare it to the Gestapo, even though the very separation of domestic intelligence-gathering from police work, the accompanying release from the principle of legality, as well as the restrictions placed on executive powers constituted a decisive shift toward a democratic future. The latent skepticism of published opinion was fed repeatedly by events such as the change-of-sides by Otto John, first president of the BfV, the telephone scandal under President Schrüebbers and the use of technical means of intelligence against atomic scientist Traube.

Attempts to counter unjust criticism by stepping up public relations work have been a failure. The mere description of such PR efforts as "positive protection of the constitution" embraced the concern that the citizen might assess the everyday work of its members as "negative" protection of the constitution. Meanwhile, a particular minority of the media has truly found the range on the BfV, thereby turning it into a bobbing target on which even opponents of the "system" may freely experiment with methods corresponding to their respective overall strategic conceptions.

Developments in Italy can be taken as an example. The "Sicurezza," the counterpart of the BfV, has been under heavy critical bombardment for more than 20 years from the communists and the organizations of the "New Left." Looking on with no reaction have been politicians from the liberal camp, the socialists and the majority of the Christian Democrats. This has led to multiple changes in the organization and nomenclature of the "Sicurezza." A few weeks before the abduction of Aldo Moro, it was believed that a handy new acronym had been found for the whole thing: "Sisde" (Servizio per le Informazioni e per la Sicurezza Democratica). In the meantime, however, most of the veteran intelligence officers had turned their backs on the thankless task and returned to the "normal" police force. At the time of Moro's murder, "Sisde" consisted of only seven officials with sufficient experience and whose positions corresponded to the higher ranks of the BfV. This event left wounds that will be virtually impossible to heal.

The FRG's Office for the Protection of the Constitution is being accused of collecting a file of dossiers on scores of citizens and covering the republic with a network of informants, thus restricting freedom of the individual in an especially perfidious way. Those who are in the know, however, --

and among them are those who are writing about this -- are aware that personal data constitute only secondary information for the BfV. It is the task of the BfV to collect and evaluate information on endeavors that are inimical to the constitution. It is to this extent merely an auxiliary instrument in an administrative body characterized by a division of labor, one whose knowledge and analyses can provide the respective government with decisionmaking aids. The responsible federal and state politicians have a right to be kept up to date on trends and developments in the gray area of the democratic spectrum before such trends can broaden into problems for public order and security. Journalism can match this -- if at all -- only in its function as a billboard; science can describe and evaluate events only after the fact.

Acknowledgement of this presupposes the understanding that the essence of politics must always be handled with discretion. The highly touted straightforwardness even in the early stages of decisionmaking plainly calls for intervention. The BfV is now becoming the practice field of the interventionists.

The debate on the secrecy of data threatens to focus on the intelligence services. Being overlooked here is the fact that the computerized archives of the German periodicals and mass media have at their command more personal data than do the German intelligence services. In contrast to the organization-related information of the BfV, the media archives contain information on public figures that is not subject to oversight and can be used at any time for articles aimed at influencing policy or increasing circulation. The mere possibility of the misuse of material of an intimate nature, material which is present in these very media archives, can lead to pressures with political consequences. The information is hinted at through veiled threats in a fin-de-siecle manner, without having to be published. With no opportunity for recourse, those who are affected resign. We have experienced this sort of thing.

Espionage as a Gentlemen's Indiscretion

The more the security agencies shrink from the attacks, the more they provoke new ones. The moralizing commentators are borne by a high sense of ethics while feeling no obligation to a sense of responsibility. The results are evident. The annual BfV report by the Ministry of the Interior -- as it is, the laborious drafting of the report does not take place until the middle of the succeeding year -- is increasingly being watered down into a self-representation in relation to the political base; any remaining value is statistical at best. It bears virtually no resemblance to the original BfV report. Nevertheless, it leads organizations which prefer the GDR system to the free and democratic order of the FRG to call for rectifications and politicians to issue statements, both of which range as far as questions of style. It would be advisable to cease publishing the annual report.

The media are still glad to accept counterintelligence information even though espionage itself has been reduced to a kind of gentlemen's indiscretion. We are approaching a point where even here the agent of the GDR Ministry for State Security is described as an "emissary of peace," while our informants and sources are considered mercenaries. Antiterrorist intelligence will be popular as long as the possibility of new terrorist activities exists, but the potential dangerousness of terrorism is again being played down in that some commentators reproach the security authorities by saying they would overreact.

Neo-Nazi efforts toward militant actions -- worthy of attention, but still sporadic -- sell well because they can be fitted in with terrorism. If one draws right-wing extremism in particularly bold strokes, one can even be certain of applause from popular front organizations. Compared with this, leftist extremism is painted in pale pastel tones. There is a tendency here to expect us to treat part of this information from a merely archival standpoint.

This trend is being carried over to the services. There is a growing tendency to cover oneself. A feeling of insecurity is spreading. Alternatives between action and protection are increasingly being selected with an eye toward not placing oneself in a vulnerable position. What can one expect from an organization whose leaders have to spend third of their working hours justifying why they and their coworkers are doing their duty?

Even mid-level personnel and the lower ranks are largely forced to do without the protection of the private sphere. They have no "right to their own image" and in this respect have let themselves be treated as "public figures." Magazines may with impunity print photographs of even operational BfV personnel and publish stories on their private lives without accusing the agents themselves of improper conduct and without having to link the story and the photo with improper conduct by the institution. The agents are of course free to exercise their rights themselves but are left to their own devices by their superiors. The latter are reluctant to make use of the opportunity to file suit for libel under Article 196 of the Criminal Code.

Murder, Incorporated?

The defenselessness of the BfV becomes especially evident from a recent example. On 14 April 1975, the North German Radio Network's "Panorama" broadcast a program in which it was asserted that Ulrich Schmuecker, a former member of the terrorist "2 June Movement" who was murdered in the Grunewald in Berlin by his former friends, had been a BfV contact and had not been given adequate protection by the BfV.

STERN followed this up in two articles dated 2 November 1978 and 15 March 1979. It raised the suspicion that the witness named Bodeux, who testified against Ulrich Schmuecker's murderers, had also been a BfV contact and that therefore

"it is possible that a BfV contact man had participated in the murder of a human being." The zenith was reached by the "Panorama" program broadcast on 19 June 1979. It was maintained amid cautious subjunctives, documented by a tailored list of alleged eyewitnesses, that a BfV secret agent (Bodeux) had been involved in the murder of Ulrich Schmuecker; that the BfV had known about the preparations for the killing; and that a group of eyewitnesses nearby had not prevented the murder.

The BfV as a "Murder, Incorporated" -- how is it supposed to react to such a monstrous charge? The agents themselves can meanwhile treat this only with resignation or a shrug of the shoulders. As far as they are concerned, the STERN and "Panorama" journalists involved already belong "to the other side." But the BfV cannot be indifferent to the reaction or lack of reaction by responsible politicians. The "Panorama" assertions have thus far not been denied.

Instead, there have been increasing demands from the political sphere to get the BfV back "to its real business." This retreat threatens to end in a cipher. Even now it is being asked why the BfV's analyses are also taking positions on generally well-known sociopolitical developments, even when it is obvious that this can serve only to illuminate fields of observation within "its own" sphere of responsibility. Everyone knows that a tree is green, but the BfV must not say so because it might lead to the suspicion that the tree is an object of surveillance. In the United States the CIA and FBI have largely been paralyzed by processes akin to emasculation. The same thing is about to happen to us. It is to be feared that the parliamentary oversight committees for the BfV will soon be overseeing only inaction.

Five years ago I believed it still possible to counter this trend. Two years ago one could still hope at least to be able to slow the development. Today more and more staff members can foresee a time when the BfV will be nothing but an empty shell. The Italian service carried away wounds that led to necrosis. The BfV threatens to die of leukemia.

7458
CSO: 3103

EDITOR COMMENTS ON LATEST CP INTERNAL FEUD

Helsinki HUFVUDSTADSBLADET in Swedish 26 Oct 79 p 2

[Editorial by Jan-Magnus Jansson]

[Text] In a sharp attack on the minority in the party Aarne Saarinen compared conditions in the Communist Party with a forced marriage or a coexistence in which each side does as it pleases. Jan-Magnus Jansson comments on Saarinen's statement and comes to the conclusion that it is unlikely that this is an indication of immediate action to be taken against the minority but that it serves as a kind of warning that the majority might start using its superiority more effectively and deprive the minority of the tolerated status it has had since 1970.

"Our minds and emotions are still programmed in different directions," said Aarne Saarinen, addressing himself to the opposition within the Finnish Communist Party at its 1975 congress. The "programming" has continued along the same lines. In a message to party members, published in the party's membership paper last week and later in KANSAN UUTISET Saarinen expressed himself more sharply than ever. He says that conditions in the party can not continue as they have in the past, coming up with a new comparison: "We have lived in a kind of forced marriage or, more accurately, a kind of coexistence in which each side by and large lives its own life and does what it pleases."

Saarinen has repeatedly lashed at the party minority on ideological grounds and defended his own pragmatic standpoint which has carried the party majority to a lasting involvement in the government and ministerial communism. He has accused the minority of unrealistic dogmatism that does not take into account the realities of Finnish society and cannot achieve concrete results for the working class.

Without mincing words Saarinen said that part of the party is participating in the government while another part is clearly in opposition to it. Recently the party minority has demonstrated its total dissociation from government responsibility by presenting its famous shadow budget, among other things, and by joining the right-wing opposition on an issue of extreme sensitivity for the government, the postponement of this year's tax refunds.

However Saarinen did not make his strong attack on the opposition within the party on the level of national politics. Instead he blasted it on the basis of the party's internal organization, an area that if we may say so seems considerably more "Chinese" to outsiders than the external activity of the opposition. Saarinen painted a very discouraging picture of conditions within the party where according to him all productive work is fading away as a result of group conflicts and tactical calculations.

In his message Saarinen directed an especially strong attack against conditions in two district organizations dominated by the minority, namely the Kymmenedalen and Lahtis districts. The former is Sinisalo's area and there is no doubt that the party chairman intended his criticism to reach him directly. He said that certain leading comrades in the district have tried to present themselves as "ideological and political instructors for the entire party." But, said Saarinen, the very districts led by the minority have the poorest records in terms of party activity. In the Lahtis district, for example, according to him there are only two functioning job-site sections with a total of 35 members. Obviously, he said, the leadership there is simply trying to retain power in its own hands.

Of course the minority wing has not admitted its guilt but has accused the majority in its publication TIEDONANTAJA of carrying out schismatic activities in the districts and of trying to evict the district organization in Lahtis from its office and depriving it of water and electricity--and so forth.

To understand conditions in the Finnish CP organization one must go back some 10 years in time. At the 1969 party congress the opposition had marched out and remained without representation in the party's central organ. A party split appeared imminent. But before the 1970 parliamentary election the cracks were patched up by calling together an extra party congress to adopt a conciliation document which has served ever since as the basis for the "coexistence" of the majority and minority factions. Both sides still refer to it frequently.

The conciliation document of 1970 gave the party minority sizable representation in the party's Central Committee and Politburo. In return it was decided among other things that existing parallel organizations, mainly set up by the opposition, should be dissolved. This was reiterated by subsequent congresses without being implemented. And nothing has been done

about the fact that the minority has its own very sharply defined paper which attacks the party leadership without restraint.

A special problem has resulted from the mutual agreement to avoid open ballots on important issues, especially at party congresses. So a vote on the party's involvement in the government was circumvented at the 1978 congress, for example, despite the fact that it was generally known that the Taisto wing was sharply opposed to it. It is this striving for an artificial unity which of course involves some concessions to the minority that Saarinen finds so trying. He says that the attempt to arrive at unanimous decisions at party congresses leads to compromises that leave everybody dissatisfied.

That Saarinen as party chairman is tired of conditions within the party is understandable. Another party in this situation would have broken up without great fanfare. But special circumstances within the Finnish CP call for caution. If one of Europe's biggest communist parties divided openly into two groups, each claiming to interpret doctrine correctly, it would to put it mildly make things difficult for the entire communist movement. Especially since similar divisions seem likely elsewhere. At the last congress G. V. Romanov, representing the Soviet party, exhorted the Finnish brother party to act in solidarity and unity. There is reason to assume that the Soviet CP has been extremely active in preventing a total split in Finland. We can only guess the extent to which this attitude may have changed but obviously the Finnish CP will continue to consider the international aspects.

The coexistence problems of majority and minority within the party are perhaps more aptly described as a forced marriage rather than just living together. One side can't just pack its bags and leave without causing complicated judicial problems in dividing the estate. There is no reason to believe that the minority would leave the party voluntarily; it would be the thankless task of the party leadership to root it out at all levels of the party organization.

Therefore it is unrealistic to see Saarinen's strong attack as an indication of immediate action. It is more likely to be an opening move in good time before the 1981 congress. In our opinion the key words can be found at the end of his statement when he says that decisions involve obligations even if they do not agree and that if need be previous decisions can be altered even by a majority. In this we can read a warning that the party majority is prepared to use its numerical superiority more in the future and if necessary deprive the minority of the tolerated status it acquired through the 1970 compromise. Then it would be up to the minority to react in any way it chooses.

ALAND'S NEW ASSEMBLY TO FACE HOME RULE ISSUES

Helsinki HUFVUDSTADSBLADET in Swedish 24 Oct 79 p 2

[Editorial]

[Text] Last weekend Aland held its first full-fledged partisan elections for the provincial and municipal councils. Of course there has been factionalism in the composition of the provincial council in the past too. But it was much weaker then. After an extremely chaotic period of upheaval--marked by the gradual dissolution of the old ruling block, the Rural and Island Election League--the five parties now appear to be firmly established.

The party system Aland has come up with can be compared with the Swedish and Finnish systems and we could say that it follows a universal Nordic model since the party spectrum in the Nordic countries is quite similar in its basic characteristics. All the "classic" trends in Sweden and Finland (aside from the Swedish People's Party) are represented: Conservative, Liberal, Center, Social Democrats and People's Democrats.

Comments on the provincial council election reveal disappointment at the low voter turnout which was below 60 percent and not even up to the level in 1975. There is probably some basis for the claim that people have felt some internal conflict: the Aland voters have been doubtful about being required to make such definite ideological choices as they are now. They are used to electing individuals. Another contributing factor may have been disorganization in the Social Democratic ranks and the absence of that group's former vote-getter, causing their voters to stay home.

From one point of view the voting distribution was a good thing. Mariehamn had the weakest turnout. And that in turn benefitted outlying communities, especially those in the weakened islands which are now well represented. Mariehamn (like Reykjavik) is an overlarge capital containing almost half the inhabitants of the region.

Politically the election results show how overwhelmingly non-socialist Åland is. In that respect the pattern is similar to the one on the Finno-Swedish mainland. The Center Party, the victor of the election, was able to pick up most of the votes formerly cast for the Rural and Island Election League. The Liberals and the conservative Liberal Cooperation Party also did well. The results for left-wing parties were uniformly poor. In the case of the Social Democrats this obviously had something to do with the split while the People's Democrats have remained an isolated sect as they have been all along.

Among other things this provincial council will draft new home rule legislation. From that point of view it is not so good that more than 40 percent of the population of Åland didn't care to be represented in the parliament of the region. Agricultural consultant Woivalin said that the people of Åland are obviously satisfied with conditions there and for that reason didn't bother to vote in large numbers. It is a good thing if the passivity reflects this sense of well-being and can be interpreted as meaning that the inhabitants don't take a very dramatic view of events in the region.

6576

CSO: 3109

ALAND ISLANDS VOTE GIVES VICTORY TO CENTER PARTY

Helsinki HUFVUDSTADSBLADET in Swedish 23 Oct 79 pp 1, 13

[Article by Erik Appel and Christer Carlsson]

[Text] Mariehamn--The Aland provincial council election was primarily a contest between the Center and the Liberals. The Center Party won 14 seats and the Liberals 9. In their shadow the Liberal Cooperation Party, the Aland conservatives, did well in the election, gaining a fourth seat and competing with the Social Democrats and the Center Party for the 30th and last seat.

The communists received only 190 votes and have no representation in the provincial council.

That is how the situation looked when the preliminary figures were made public at 2230 hours.

The Aland voters did not respond with much enthusiasm to the politicization of the Aland election that was supposed to activate them. The voting percentage declined from 62.9 percent in the 1975 provincial council election to 57.4 percent now. As usual the vote in Mariehamn was light. It is probable that the Social Democratic split contributed to the low voting activity here.

In all 9121 out of the 15,892 Aland residents entitled to vote went to the polls. The Center Party received 3866 of these votes, the Liberals 2694, the Liberal Cooperation Party 1303, the Social Democrats 1068 and the Aland left 190.

The election results provide some indication of block formations in the new parliament. The Liberals had a good election but their planned companions in the provincial council, the Social Democrats, declined.

The Center Party, which will be the biggest group in the new Aland provincial council with its 14 seats, elected several new candidates. The

following were elected, not in this order: Bjarne Bjorklund, Vardo, Ulf Andersson, Hammarland, Elmer Jansson, Brando, Tage Boman, Finstrom, Olof Jansson, Kokar, Nils Jansson, Foglo (new), Knut Mattsson, Jomala, Olof M. Jansson, Hammarland, Rolf Carlson, Jomala, Karl Jansson, Geta, Stig Holmberg, Mariehamn, Olof Salmen, Saltvik (new), Sune Carlsson, Finstrom (new) and Bert Haggblom, Saltvik (new).

Liberals elected were Alarik Haggblom, Mariehamn (new), Rainer Lonn, Mariehamn (new), Erik Sundberg, Mariehamn, Mirjam Oberg, Mariehamn, Karl-Gunnar Fagerholm, Saltvik, Erik Berg, Brando, Sune Eriksson, Lemland (new), Torvald Soderlund, Saltvik and Karl Sundblom, Foglo (new).

Members elected from the Liberal Cooperation Party which gained an additional seat were Jan-Erik Lindfors, Mariehamn, Ray Soderholm, Hammarland (new), May Flodin, Mariehamn (new) and Roger Jansson, Mariehamn (new).

The Social Democrats, who lost two seats, elected Roald Karlsson, Mariehamn, Gunnar Sundlof, Mariehamn (new) and Barbro Sundback (new).

Center-Liberal Contest

One of the most interesting questions before the provincial council election was the outcome of the contest between the newly-formed Center and Liberal parties.

The Center Party was testing its strength for the first time in a provincial council election. The Center Party is a conglomerate consisting of the conservative and agrarian portions of the old Rural and Island Election League (LOS) as the central core along with the so-called progressive list from the Liberal Cooperation Party and the Aland League, regarded by many people as the extreme right of Aland politics.

In the current provincial council the Center Party has 13 seats but that does not reflect its strength in the field among the voters.

In a way the Liberals were also testing their strength for the first time. The faction consists of Mariehamn liberals supplemented with the so-called LOS liberals who broke out of the LOS alliance a few years ago, during the lifetime of the current session of the provincial council, in other words.

The Liberals have nine seats in the present provincial council.

For "historical reasons" the contest between the Center and Liberal parties has some characteristics of a "family feud" although the ideological differences are pronounced. For example one could say that the Center Party defends more rural and agricultural interests while the Liberals along with their regional policy program also represent the capital of the region, Mariehamn. In the Center Party, on the other hand, there is a certain tendency to stress development of rural areas at the expense of Mariehamn.

The Liberals have also accused the Center of being dominated by the right wing. There are also fundamental differences between them with regard to how to proceed in future revisions of the home-rule arrangement.

The Aland computer center, which is now linked to the provincial council election, has figured that the 1975 election results would have given the Center Party only 12 seats, the Liberals 9 as now, the Social Democrats 5 and the Liberal Cooperation Party (conservatives) 4 seats in the provincial council. But one must bear in mind that 10 of those elected then are now gone, among them the biggest drawing card, Social Democrat Lasse Wiklof, who received 436 votes.

Did Social Democrats Stay Home?

The second interesting question has been how the Social Democrats would manage with Lasse Wiklof out of the picture and veteran Viktor Arvidson also out due to his defection.

In the 1975 election the Social Democrats gathered 1553 votes, giving them five seats. If the results of the parliamentary election last winter in which Lasse Wiklof ran for parliament as the Social Democratic candidate were transferred to the provincial council election the party would have seven seats on the council.

It was generally predicted that the Social Democrats would decline, winning only four seats. The decline would be most pronounced in Mariehamn, the Social Democratic stronghold. It was believed that Wiklof and Arvidson supporters would either stay home or vote for the Liberals.

No Longer There

A broad renewal of the profile of the Aland parliament was expected since 10 members of those elected in 1975 were no longer in the running. They are (with voting figures in parenthesis) Lasse Wiklof (Social Democrat, 436 votes), Gunnar Hagblom (unaffiliated but closest to LOS, 313), Folke Wolvalin (farm consultant, Center, 306), Nils Dahlman (FS [Liberal Cooperation], 249), Goran Bengtz (Center, ex-Aland League, 288), Klas Eklund (FS, 117), Runar Wilen (Center, 166), Viktor Arvidson (Social Democrat, 78), Peter Soderstrom (Center, 97) and Klas-Erik Lundberg (Social Democrat, 42).

Conflict for Aland Voters?

Has the political polarization in Aland paralyzed the Aland voters instead of activating them? That is a question many people asked before the weak voter turnout in this year's provincial council and municipal elections.

"This can be a phenomenon of cross purposes," said undersecretary Lars-Ingmar Johansson of the provincial board, "in other words a problem of orientation in the conflict between personal and partisan choices."

It has been said that the splitting up into political factions has led to more clarity but many who used to vote for specific people are now confused when it comes to choosing a party.

One could find a lot of support for this theory if one visited polling places. Many older people in particular felt there was too much partisan bickering in the debate.

Too Many Candidates

"It was much better before," said Alfons Bergman, 85, from Frebbsby in Hammarland whom we ran into at the polling station at the Hammarland town hall.

"It's too keyed up, too much talking back and forth. They ought to talk a little less and do more," he said.

Better Before

Minni Hjeltn, 61, from Nafsby in Hammarland doesn't care for the party polarization either.

"It was probably better before," she said. "Now everybody has to decide everything."

The Hammarland election board has also pondered over the poor voter turnout and has decided that a lot of it is due to the politicization of the election.

The Aland voter has a hard time finding his way through all the paper and all the election propaganda being poured into his mailbox. He may be confused and decide to stay home, according to the board.

Old Big Shots Out

Another important factor is that so many of the old "big shots" are gone. No fewer than 10 of the 30 people elected in the last provincial council election are out of the running for various reasons. They represent about 40 percent of the total election votes cast.

"It is quite possible that many voters have a hard time finding a suitable candidate when the old big shots are gone," said undersecretary Johansson.

"When it comes to such a small number of voters as we have in Aland--a total of 15,892--small shifts of only a few hundred votes mean a great deal.

New Residents Lack Motivation

The Mariehamn vote was lowest and has always been so. Why is that?

"This has something to do with people who have recently moved into the city," undersecretary Johansson said. "They don't really feel at home. In the country they were used to voting for individuals in order to insure local representation. In Mariehamn that motivation is missing. They feel a little strange and so they stay home."

This theory is supported by experiences from the polling place at the vocational school where it was noted that the voters from the rental housing in Nyangen were conspicuous by their absence.

We can assume that there are a good many new residents living there.

Hard for Seamen

But there are also many seamen who have found it hard to participate in the election. It requires a lot of initiative to be able to cast absentee ballots. Relatively speaking Mariehamn has a larger number of seamen than other communities.

And there are a lot of Aland residents still on the provincial council voting rolls who are living in Sweden.

But there are no figures on the percentage of seamen or Aland natives living in Sweden.

One Thousand New Voters

But it is known how many new voters there are, around 1000 according to undersecretary Johansson.

"We made a spot check in the last election and found that in one voting precinct in Mariehamn where the total voter participation was 62 percent only 45 percent of voters eligible to vote for the first time went to the polls."

The corresponding percentages in Saltvik were 70 and 54.

"I don't think this differs from the norm on the national level, for example. First-time voters always have a lighter turnout," said undersecretary Johansson.

At any rate HUFVUDSTADSBLADET hunted for first-time voters in Mariehamn, Hammarland and Eckero without success.

They appear to be a rare species.

6578

CSO: 3109

PROFESSOR RECOMMENDS 'SOFT' DEFENSE PLANNING TO COMMITTEE

Helsinki HUFVUDSTADSBLADET in Swedish 24 Oct 79 p 6

[Text] The parliamentary defense committee that will now be appointed should work on creating a research organization that in addition to dealing with armament issues should gather facts and study problems pertaining to both national and international disarmament, Professor Osmo Apunen told the Committee of 100 on Tuesday. Apunen divided defense problems up into a "hard" weapons technology side and a "soft" political and socioanalytical side.

Basing everything on a "hard" technological armament line means dealing with large unknown factors in Apunen's view. With a "soft" study we can to some extent check whether technological solutions to a crisis would lead to decisions we might not want. Planning based on technology could easily exclude alternative actions that we might choose if we were aware of them.

One of the reasons why social analysis or the so-called "soft" factor is entering into armament planning is that today's technological development has reached a level requiring enormous economic resources beyond the reach of small and poor nations. Osmo Apunen used Sweden as an example and pointed out that they were forced to work out a defense doctrine increasingly based on the "soft" factor instead of the "hard" technological one. With the help of future research an attempt is being made to get as clear a picture as possible of what is really needed in a hypothetical crisis instead of how technical arms will function in the future.

Shortages Call For New Ideas

The important aspect of current developments is that we are being forced to include the "soft" sector in our defense planning. In Finland our defense doctrine is still based largely on "hard" technological conditions. According to Professor Apunen this is because the austerity that has affected other areas of society has not touched defense spending. In other

words there has been no pressure to change planning practices due to shortages. But it would be a mistake to believe that we can continue along these lines. Like other industrial lands Finland will be affected by the crisis that is hitting security policy doctrines, Professor Apunen said.

This is relevant now that we are about to appoint the new parliamentary defense committee. Requests have already been made to have some of the defense appropriations channeled into research and information activities relating to disarmament. But this should not be regarded as "blood money" for the peace movement according to Osmo Apunen who pointed out that this matter calls for thorough analysis.

Research into armaments and disarmament cannot be divided up into separate compartments since these issues will be increasingly integrated in the future. Therefore the parliamentary defense committee should draw up guidelines for the research organization that will supply us with facts and information on which we can base our security policy.

New Situation For Our Security Policy

When the emphasis in planning and research is shifted to the "soft" side of armament policy or the social and international mechanisms of armament our security policy doctrine will be in an entirely different situation. Decisions affecting Finland's own armament plans will be detached from a narrow technological perspective. Planning methodology will be easier to grasp. And decisions would be based on facts that are easier to check and are of vital importance to every citizen in a critical situation. At the same time it should make it possible for us to make an independent evaluation of the doctrines in other countries too. We could also support giving more weight to the "soft" factor in a broader international context with regard to disarmament policy, Professor Apunen stressed.

The central problem in the discussion of disarmament is the ease with which crude stereotypes permeate a debate conducted along "hard" technological lines. And through a "soft" disarmament policy there will be some contact between arms efforts in Finland and those in other countries. The division in this respect has led people in Finland to tend to regard the disarmament debate as something that depends on the decisions of others, something that does not affect us. We must move away from this mental separation, Professor Apunen said.

6578

CSO: 3109

CHIRAC REORGANIZES GAULLIST PARTY STRATEGY, TOP-LEVEL STAFF

New Staff Assignments, Departures

Paris LE FIGARO in French 5 Oct 79 p 7

[Article by Patrice-H. Desaubliaux]

[Text] A great many young lawmakers elected for the first time in 1978, the official resignation of organizational adviser Charles Pasqua, and new job assignments: these are the three main features in the new RPR [Gaullist] party team sworn in yesterday by Jacques Chirac and Secretary General Bernard Pons.

Just how much younger the general staff now is can be shown by the promotion of Michel Noir, 35, deputy from Crois-Rousse (Rhône) to the post of national secretary for grass-roots organization. The former international-class rower (1.98 meters tall, weighing 100 kilos) and chessplayer (in competition) was bold enough, even before standing before the voters as a candidate, to write a book called 'How To Win An Election: Follow the American Example?' A consultant in marketing and human relations, father of six, and member of the Lyon city council, he is typical of the new generation in the RPR. In his new office, where his deputy will be Alain Marleix, he will be taking over most of Charles Pasqua's job.

Is Charles Pasqua really resigning? Is he staying on? For several weeks that has been the big question, particularly for those who believed that he had become the symbol of an RPR general staff too ingrown, probably because he was the last of the "Gang of Four" still around now that Marie-France Garaud, Pierre Juillet, and Yves Guena are gone: these four were Jacques Chirac's "closet advisers."

Jean Meo, Deputy Secretary-General

As of now, Charles Pasqua's name will no longer appear on the official table of organization. Jacques Chirac made a point of

paying his special homage, dwelling on his "qualities as an organizer and leader of men, and his powers of persuasion" to which the RPR owes its "having once more become the foremost political movement in France" with "solid support and a tried and true ability to get out the vote." Still enjoying the friendship and confidence of Jacques Chirac, he will be called upon "in the near future, and at a different level, to render the greatest services to the movement." This will most certainly be translated by his being held "in reserve for the presidential campaign."

Among the other changes lately wrought, most attention goes to the appointment of Jean Meo as deputy secretary general, although he was only economic adviser to Jacques Chirac, as well as to Nicole Chouraqui's appointment to the research sector (not to mention training), which the RPR plans to expand. Pierre Charpy stays on as editor-in-chief of LA LETTRE DE LA NATION. Jean-Jose Clement has been appointed chief of mission to the secretary-general. On the list of national delegates, we find Andre Fanton (in charge of communications), Pierre Emmanuel (culture), Michel Aurillac (defense), and Philippe Seguin (jobs).

Jacques Godfrain, Jean-Francois Mancel, Pierre Lataillade, Jacques Boyon, Didier Julia, Guy Guermeur, Pierre Mauger, and Pierre-Bernard Couste, all of them members of Parliament, are also on the list of heads of mission.

Commenting on these many appointments, Bernard Pons made the situation quite clear at the outset: "No new era is beginning today for the RPR, because this is not a time when political events would indicate that we ought to waver on our line. There will be a change in attitude, if you like, a different way of expressing ourselves. But basically the line we have followed is not being scrapped -- far from it. Public opinion is beginning to realize that we were right all along. The new team is evidence of a twofold commitment to continuity and to bringing in new blood."

Claude Labbe, who remains as political adviser, voiced the view that even though this was no time to talk of a new era, there was indeed a "new departure and a new call to action for the RPR."

On the whole, the new appointments have been well received by the party contingent in Parliament. True, deputies have moved onto the general staff in force, now constituting a good half of it. We may therefore expect better liaison between the party's elected representatives and the party machine.

Reasons for Reorganization

Paris LE MONDE in French 5 Oct 70 p 11

[Article by "A.P."]

[Text] What Mr Jacques Chirac has done in reorganizing the structures and procedures of his RPR amounts to nothing less than a "cabinet reshuffle." Flanked by Mr Bernard Pons, his new secretary general, he unveiled his decisions on Thursday 4 October at a press conference.

The reshuffle in the top brass of the RPR signals a relative simplification in its structures, since from now on there will be only one deputy secretary general (Mr Meo) in place of the four there used to be. The four full-time national secretaries will in fact constitute Mr Pons' entire general staff at the movement's headquarters on the Rue de Lille. Nestled under the secretary-general's wing will be the movement's press office and its daily paper, LA LETTRE DE LA NATION, which Mr Pierre Charpy will continue to run. Eleven national delegates and 17 chiefs of mission will divide up the sector jobs among them. This is a leaner team than the old one, which had 21 national delegates and a dozen chiefs of mission.

Mr Chirac was aiming simultaneously at bringing the party's people in Parliament closer to the everyday operations of the movement and at picking a few young deputies from the ranks of those elected in 1978. In all, 15 new faces are coming into the top ranks at the RPR, eight of them freshman deputies elected only 18 months ago. *

Messieurs Chirac and Pons are determined to get studies and surveys going again in all areas, to send up more legislation, and to hammer out a clear-cut, practical doctrine. Mr Meo's job will be expanded for this purpose with his new title as deputy secretary-general.

The departure of Mr Charles Pasqua, senator from Hauts-de-Seine, and adviser on organization whose role was viewed as far too large by some party members, is a kind of pledge from Mr Chirac of his determination to place a new imprint on the RPR's political action.

Mr Chirac was careful, however, to make no secret of his gratitude to the man who was his close adviser, the man who pumped life into so many federations and organized so many meetings. Hence, even though he will no longer be a member of the RPR's general staff, Mr Pasqua seems content to "stand off a little" for the time being, and to hold himself in readiness until the president of the movement calls him back, while not a trace of

old ties remains between the boss and his old "closet advisers," Mr Juillet and Mrs Garaud. Their departure, accompanied by the advent of several new faces with Mr Andre Fanton's foremost among them, does away with one of the obstacles to the policy of openness and regrouping of the scattered Gaullists which Mr Chirac intends to develop. Finally, the RPR president is expected to appoint 15 members to the political council, to complement those the central committee chose at its 23 September meeting.

With 4 months elapsed since the European elections on 10 June, and the RPR's stinging defeat in them which occasioned a painful awakening and some soul-searching, the ranks of the Gaullist movement will thus be in better shape to train for other political battles.

* These eight deputies are Messers Aurillac, Boyon, Godfrain, Lataillade, Mancel, Noir, Pasty, and Seguin.

Analysis of Reorganization Strategy

Paris LE FIGARO in French 4 Oct 79 p 5

Article by Patrice-H. Desaubliaux]

Text Jacques Chirac and the new secretary general, Bernard Pons, told a press conference this morning about the RPR's reorganization of its structures and procedures. The reorganization will have considerable impact since it involves the movement's general staff, and the men and offices at the level of deputy secretaries-general and national delegates. A new team for a new strategy: that is what the RPR president is aiming at.

This means that in less than 2 weeks, Jacques Chirac has brought off a major operation, and given his movement an image and a style both new and considerably younger. It all started with the central committee meeting on 23 September, during which the RPR turned over a new leaf in its record, leaving behind it the one that was blotted in 1978 and 1979 by bitter internal strife, an excess of aggressiveness toward the government, and, to top it all off, a dismal performance in the 10 June European elections.

Jacques Chirac's decision to change his attitude came because he became aware that events were increasingly proving him right, particularly insofar as concerns the way the French economy is going. Prior to the legislative elections in 1978, the former prime minister called for a new economic policy, without which, he warned, the economy would inevitably continue to go downhill. Today, sorry he was not wrong, but sorrier still that he failed to muster sufficient persuasiveness, he determined to take a new approach. Not that he has many illusions about the RPR's chances

of making a difference in Raymond Barre's government's policy, but because he is convinced that it is wrong to let the French people go on thinking they can "grant themselves an extension of good times."

His strategy thus aims first of all at galvanizing dormant energies, at shaking the French out of their wait-and-see attitude, and mobilizing them behind "the requirements of the national interest."

This means that the RPR does not plan to concentrate its efforts on Parliament first of all. One reason is that despite its strength in the National Assembly, it knows that it does not have much clout when it comes to influencing the government's orientation. Come what may, three avenues seem clearly to be blocked or otherwise interdicted for the RPR:

in the first place, the option of simply falling into line, which would suit neither the situation of the moment nor the positions the party has stood for over the past several years;

secondly, the option of turning toward a spurious national union. In Jacques Chirac's view, a union government would in all likelihood be perceived by the French voters as just one more way for the politicians to put on a show for the nation. It would amount to "one of those political deals that are made and broken as circumstances and personal ambitions demand";

finally, the RPR president sees nothing but a dead end in the path that would lead to government censure. It would be a dead end for himself, but it would, more importantly, mean the same for the institutions of the 5th Republic. Based on the primacy of the head of state, those institutions provide an alternative possibility to an opposition with a consistent political plan. That could not be the case for any hodgepodge coalition such as one made up of the opposition and a segment of the majority. In a way, censure of this sort would be tantamount to a political putsch.

To Chirac's way of thinking, the right strategy must, on the contrary, consist in speaking straight to the people "over the head of the imaginary country" which, he feels, has the inside track in Paris, to "rally the support of a vast new majority." By going that route, he feels he is going back to the roots of Gaullism, to what lies at the roots of the RPF as well as the RPR: the idea of rallying 'round.

The new team he has chosen to surround him must reflect that determination. Whereas the RPR was keeping itself too much to itself, it must now open out through a twofold process of renewal and rejuvenation. Summoned to serve on the movement's general

staff will be several deputies chosen from among those elected for the first time in 1978, and to whom Alain Devaquet opened the road.

Jacques Chirac is also determined to have experienced men around him, whether or not they are members of Parliament. And after all, we can assume that he would not like to sever his ties with those who, enjoying his confidence, did yeoman service for the Gaullist movement. In other words, some of the present leaders, though not necessarily in the same jobs or with the same authority they have now, will appear on the new team announced this morning.

The main thing for both Jacques Chirac and Bernard Pons, apparently, is not so much the presence or absence of this or that individual as the image projected by the general staff as a whole, including the chairman and the general secretary.

0182

CS0: 3100

MITTERRAND CALLS FOR LEFTIST UNITY DESPITE PARTY OBJECTIONS

Paris LE MONDE in French 18 Oct 79 p 10

[Report on Socialist Party First Secretary Francois Mitterrand speech at 16 October Paris Meeting]

[Text] The meeting organized on Tuesday evening, 16 October, in Paris was to make it possible, in the minds of its promoters, to mark the "conclusion" of the meetings of the PS [Socialist Party] with the parties, the trade unions, and associations, and to prove the mobilizing capacity of the formation led by Mr Francois Mitterrand.

The presence of some 6000 people under the big top set up at the Pantin Gate testified to that capacity. As for the meetings organized by the PS--they did not enable it to recreate the union. Mr Mitterrand nevertheless launched a new appeal for unity of the left, taking the same opportunity to invite the socialists to restore union within their own ranks around the "socialist project."

Denouncing very vigorously the attitude of the leadership of the PCF [French Communist Party] toward the PS, Mr Mitterrand said that the socialists are ready, if necessary, to represent "alone" the hope for change. He stated his desire "in the next few months" to call for it at the "rally of all the victims of the exploiting class."

L'HUMANITE of Wednesday mentions in a few lines this meeting of the PS and stresses the "scorn" with which Mr Mitterrand "treats a people [the Soviet people] which suppressed exploitation of man by man and the scourges inflicted by tsarism."

Mr Francois Mitterrand first praised what had been done for 8 years in the PS, that is, since the Epinay congress, by saying: "What have we done but affirm that there is hope for France here and now? Among ourselves we feel good about the desire to remain united, whatever they say in some quarters."

After rejecting any idea of an alliance with the right and making an inventory of the failure of government policy ("prices are rising, the number of jobs is shrinking, they are depreciating our currency, and our foreign trade is again beginning to sink") Mr Mitterrand appealed to the independent workers, small and medium-size business proprietors, repairmen and businessmen to understand that they are "the meat in the pie which will make it possible for the more powerful to feed themselves, for the granary of big capitalism is little capital!" He issued an appeal to the "great rally of those who are victims of an unjust society and a class of exploiters."

Then, addressing himself to the communists, he wondered if "hope" had not been dashed in September 1977 due to the "crushing responsibility of those who quibble, who scrounge for other people's cigarette butts, who drag their feet and reinvent history."

Mr Mitterrand also stressed that the socialists have never wanted "to found a communist society," and he charged the socialists with the task of "reclaiming the heritage of political democracy." "Those who refuse this heritage," he said, "I reject as members of the socialist family." For the benefit of the trade union organizations he said that "a political solution is necessary" and that "nothing is possible unless the left wins the elections." Then he emphasized: "We face a party, the communist party, which is half a century behind the times. We reject for France the answers which Lenin and Marxism-Leninism supplied in 1917." After noting that he did not intend to "tolerate the heap of insults" addressed to the PS, Mr Mitterrand said: "It is true. We seem to be alone. All around us they are hammering away: Those in power, the press, and to this must be added the leadership of the PCF. But the Socialists are capable, and in default alone, to propose enough for the enthusiasm to rise up again from the depths of the people and for nothing to dare to stop the people in movement." This goal is met by the "socialist plan" which is being worked out and which should enable France, according to Mr Mitterrand, to possess a plan "capable of meeting anything which a reasonable and serious Frenchman has a right to expect from his government." He made the point that this plan "will not be a program," nor will it supplant the joint program, because, he emphasized, the PS remains dedicated to the main options of that text. Returning to the formula which he had used after the legislative elections, "the joint program is foreclosed," Mr Mitterrand pointed out that in his mind it was necessary to refer to the fact that this program had been concluded for 5 years, and at the end of this period it should be examined to see if it should be renewed.

After again saying that "the socialists must rally in order to conquer," Mr Mitterrand described the present text of the "socialist plan" as "serious, brilliant, flexible, and strong." He declared that, by the standard of discussion, "the links of the brotherhood of the socialists" have been reforged. He added: "I am one of those

who would reject the confusion of unanimisms if that has to lead to cementing the choices. But the commitment which unites us is strong enough to find the terms of our understanding. The 'plan' should soon have the support of the majority of the socialists."

"Reject All Elitism"

The speaker then asked if the 'plan' would not suffer from "the lack theoretical explanation" and on this point gave his opinion that "the main thing is to reject all elitism in form and vocabulary." Insisting on the necessity of making a plan which enables the socialists "to speak to those who are inclined to join them," Mr Mitterrand advanced "several great ideas" which should, according to him, "guide" the course of the socialists. He said: If socialism were not synonymous with liberty for me, I would not believe in it. The great theme of liberty is that which has priority. If the socialists do not become aware that they are first of all messengers of liberty, it is because they have left socialism by the roadside. We want the next century to be that of social and collective liberties. This is what the 'socialist plan' will say in a concrete way." Mr Mitterrand reminded his hearers that thanks to the "socialist plan," it was a question of "conquering new spaces for liberties." With regard to Eastern Europe, he expressed his view that the system which prevailed there "has given birth to a new tyranny," adding: "It is not possible to build liberties starting with a concentration camp."

Mr Mitterrand then refused to reply to the question of the designation of the socialist candidate for the presidential election. On this subject he pointed out: "I am waiting for the militants to organize themselves above the factions in order to sweep away the fog. For my part I have always refused personally to implicate comrades. I will never throw myself into that free-for-all. Are we going to let ourselves be dragged along by this comedy? Do you believe public opinion polls are going to make the policy of the PS? Everything counts, of course. The comrades who become popular should be respected. But the socialists must not let the decisions which they have to make be dictated from the outside."

After declaring that the socialists will be able to designate their candidate "fraternally" after they adopt their "plan," the first secretary said: "We must have the mutual courage to designate a man who appears to be in condition to lead the fight. All of us, including myself, are capable of being at the side of whomever bears our banner."

Mr Mitterrand then reminded his hearers that "in the present state of affairs," he is the first secretary of the PS on this ground he has the responsibility of speaking in the name of the party. He asked the militants to reject everyday and factional quarrels" and to

respect the commitments of the congress. He forcefully reaffirmed the prerogative of the leadership elected at the Metz congress which alone "can lay down the law." He appealed for discipline in the party so that it may be capable of proposing "a plan of civilization" for the century to come.

6108

CSO: 3100

SOCIALIST PARTY SEEN LOSING POWER AT MUNICIPAL LEVEL

Paris LE POINT in French 29 Oct 79 p 58

[Text] "It's a slap in the face for the PS and a kick in the rear for the PCF." At Aix, in the good city of King Rene, they comment in the accents of Caesar on the last municipal election, which last Sunday resulted in the confirmation of the list headed by Alain Joissains (UDF [French Democratic Union] in the city hall. For Alain Joissains and his friends not only beat the union slate headed by a socialist, Dr Jean-Francois Picheral, but to the surprise of all won it in the first round, with 50.9 percent of the votes against 40.8 percent for the left. This result is regarded in the PS as a double warning.

In Aix, a thoroughly middle-class town, where the townhouses still stand proudly along the Mirabeau promenade, the union of the left never became established. And even in 1977, when the PCF-PS agreement was the golden rule for all the towns of more than 30,000 inhabitants, the PS slate was presented alone against the PCF and the majority. And it had won on the second round. But--a paradox--it was at the moment when the invective between socialists and communists was reaching a paroxysm that the two parties decided finally to run together. "It's as though we had wanted to exorcize fate and prove that grassroots union could win over disunion at the top!" they say in the PS.

"When the PS ran alone, it won the mayoralty. Now that it is running with the PCF it lost it. Where is the interest of the communists then?" Gaston Defferre sanctimoniously asks himself. An interesting question indeed at a time when the harassment of the PCF in the municipalities of the union (152 leftist municipalities out of 221 in towns of more than 30,000 inhabitants) is becoming increasingly insistent. To the point that a socialist official says pessimistically: "We cannot live like that for another 3 years. That would be the best way to lose the town halls." From Angers to Rennes, from Lille to Saint-Priest, is the grassroots union going to crack up after the union at the top? The question has arisen.

It is a warning also for the powerful socialist federation of the Bouches du Rhone, whose support is eroding slowly but surely. There the PS lost two seats in the 1978 legislative elections and since then--the preparation for the Metz congress was the symbol of it--the authority of Gaston Defferre has been increasingly challenged. The "boss" of the party, of city hall, and of the daily newspaper LE PROVENCAL for 35 years, he is now accused by the young generation of behaving "like an autocrat." For the new socialist militants of Bouches-du-Rhone are often office workers, engineers, or technicians whom industrial shifts have brought into the area. There they represent the new social strata which Mitterrand and Rocard are trying to seduce. Their desire is for the succession of Gaston Defferre to take place in the same way as at Lille, where Pierre Mauroy recently succeeded Augustin Laurent without any bruises. But for the moment Gaston Defferre has not chosen any successor. And while last Sunday he agreed to replace Charles Emile Loo (now a member of the European Parliament) as head of the federation with Michel Pezet, a 37-year-old lawyer, municipal councillor of Marseilles and national secretary of the PS, he intends to remain the sole master on board. Until when?

So many questions remain unanswered that an adviser to the Elysee was moved to say: "This election was obviously delicious. But it was more a defeat of the left than a victory of the majority."

6108

CSO: 3100

NATION'S COPPER POLICY OUTLINED

Paris L'USINE NOUVELLE in French 18 Oct 79 p 114

[Article by Jean Roume: "Copper: More Than Just a Plan, a Policy"]

[Text] With direct French participation in metal production, the copper plan is now part of the total effort being deployed to reduce the cost and uncertainties of our nonferrous imports.

The fact that our nonferrous metal imports (7.6 billion francs in 1978) amount to only one-tenth the value of our energy imports is no reason to forget them, firstly because, with the wide market and currency fluctuations, this figure could be inflated considerably in a very short time. Secondly, it leads to excessive dependence by French industry on its foreign suppliers. And thirdly, any savings that can be effected in any of our major import sectors is worth the taking.

These are the principal factors behind the current revival of the copper plan. When first put into effect in 1972, it was but a modest initiative. Since then, however, it has proved its effectiveness and obtained increasing budgetary support from the Ministry of Industry.

In 5 years, the Copper Plan Committee has signed 132 agreements dealing mainly with explorations for new deposits. More than 100 million francs have been spent on financing up to 50 percent of the costs of exploration under contracts providing for reimbursement of 120 percent of the sums committed in case of discoveries involving subsequent production. The principal beneficiaries have been the Bureau of Geological and Mining Research (37.2 percent), the SNEA [National Elf-Aquitaine Company] (23.2 percent) and IMETAL [expansion unknown] (17.5 percent).

Realistic Prospects in Quebec and Australia

According to Alain Poinssot, principal assistant to Pierre Hugon at the head of the Department of Energy and Mines in the Ministry of Industry, the reimbursement phase on any of the sums committed thus far has not yet materialized, but it can no longer be considered Utopian.

In other words, the aid provided under the copper plan has enabled the discovery by French interests of ore deposits with production potential: "In Brittany, several large deposits of copper associated with other metals have now been identified (Bodennec, La Porte-aux-Moines, Rouez); analyses are in progress to determine their profitability. There are also reasonable expectations in Quebec and Australia (Shuttleton, Thalanga). But the most promising discovery has been at Alentejo, Portugal. The decision to go into production there has been taken by the government of that country. The conditions that will govern that operation are under study.

The copper plan has proven that with a small investment, but a strong policy, the mining and metallurgical production doors are open even to a country that is very belatedly "jumping aboard the moving train." But by the same token it has proven that the copper plan alone is insufficient; and the copper plan is now evolving as an integral part of a more realistic total effort that could be called a French "copper policy."

Attacking the problem of supplying French copper needs at an exploratory level alone is in effect to resign ourselves to waiting some 15 years for concrete results. Since 1972, taking one year with another, France has imported about half a million tons a year of this metal. It is on this figure that not only long-term but also short and intermediate-term planning must be based.

The first turning point came in 1977 when the copper plan provided 12 million francs in aid to the SCCC [Continuous Casting Copper Company] to build a plant capable of producing 130,000 tons a year of wire rod at Chauny (Aisne). This company, 51 percent of which is owned by Thomson-Brandt and 49 percent by two Zambian copper producers, is considered a model of association between a French technical know-how and a developing mining country, that is equally profitable to both partners. This is no longer aid to long-range prospection but a direct subsidy to the French electrical construction industry in a high-quality industrial product.

Another turning point toward a "copper policy" came at about the same time with the institution of cooperation between the copper plan and the Ministry of Industry's Raw Materials Economics Service. Working together informally, these two organizations have signed a number of agreements with industrialists to help them install new processing equipment, especially in the field of low-grade and complex copper scrap.

Mastering the Entire Copper Cycle

Michel Clamen and Paul Beutin, who are specially assigned to these problems in the Raw Materials Economics Service, cite examples such as the joint aid granted to Trefimetaux to increase by 15,000 tons annually its capacity for processing salvaged electrical and telephone cable. Other contributions

have also been made to smaller enterprises. An experiment is now in progress with a PME [Small and Medium-Size Business] in central Massif involving the recovery of the copper contained in the radiators of scrapped automobiles.

"The problems of copper in France can hardly be disassociated," says, in substance, Michel Clamen. "The efforts of all must be channeled toward slowing the growth of our imports, and perhaps permanently stabilizing them in terms of tonnage."

Industrialists are being urged to seek the same performance in their products while economizing copper: a slight reduction (on the order of 2 millimeters) in the diameter of the copper tubing used for central heating and sanitary plumbing would represent a savings of several thousand tons of copper annually.

The Industry Ministry's long-term policy, reiterates Alain Poinssot, is to one day master the entire copper cycle from exploration to consumption, developing in the process an industry capable of assuming its responsibilities in the exploitation of deposits, the refining of ores and the development of techniques and new products.

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CSO: 3100

SEP PRESIDENT PIERRE SOUFFLET INTERVIEWED

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-31 Oct 79 p 15

[Text] [Question] The SEP [European Propellant Company] has now been in operation 10 years. What results has it achieved?

[Answer] Our company was formed, on the one hand, to develop the propulsion for our strategic ballistic missiles, and, on the other, to subsequently develop the propulsion for our satellite launcher.

The company may be said to have succeeded in this type of operations. As regards ballistic missiles and dry propellant, we have had no flight test problems since 1974, and the major program on which we are working, the M4 program, is looking good from the viewpoint of propulsion; the missile should be flight operational by the end of next year. As regards "Ariane," which is scheduled for launching during the first half of December, things look equally good from the propulsion standpoint, and, in my opinion, the chances of success are fairly good.

[Question] What about the future of the SEP?

[Answer] SEP's future is rather difficult to project. At this point we appear to be covered as regards dry-fueled propulsion for large missiles. As a matter of fact, after an intensive M4 program developmental phase, we will be entering a production phase, but since the program spreads over a period of 15 years, we can actually see rather far ahead in this particular case.

As regards liquid-fueled propulsion, however, we may be having a major problem: The "Ariane" developmental phase, in which the SEP has had a preponderant role, will actually be completed the next year, and it is clear that our company will have a less major role in the production phase, properly speaking, of the rockets designed for this launcher. We will obviously then be facing a reduction in workload.

[Question] Will it be solely a problem of workload, or will it be a problem of keeping up with liquid-fuels technology?

[Answer] The latter problem also looms. Clearly, to produce "Ariane" will require only some 100 production-line personnel in the plant and perhaps an equal number in production-related analyses and testing. Clearly, however, this will not be sufficient to maintain the level of research and development that we have achieved. The need is for the launching of new programs. True, "Ariane" program improvements are planned, but these do not concern the propellant. Also, to maintain our technological gains, we should already be thinking in terms of launchers for the 1990's, and specifically of the heavythrust hydrogen or liquid oxygen-fueled rockets that are now being talked about. The development of such rockets would enable us not only to preserve our acquired technology but also to improve it. However, there have been no decisions yet in this regard, and the putting into effect of such a program would in any case be slow.

[Question] With the company's operations tied to the uncertainties hanging over such major programs as "Ariane," for example, what staffing policy can it implement?

[Answer] As I have explained, upon completion of the "Ariane" development phase, we are going to have a 50 percent reduction, approximately, in workload at our Vernon and Villaroche establishments. In anticipation of this reduction in our operations, we have staffed--and to a very large extent--with temporary personnel. Thus, at Vernon, for example, we will probably have to release around 500 persons gradually over the last quarter of this year.

[Question] Will the permanent staff be sufficient then?

[Answer] I think it will be. In addition to our permanent staff we have fixed-term contract personnel. Of course, we have the same problem there. The real question is whether we will have to release all of this temporary personnel, that is, very close to 650 persons for Vernon and Villaroche, or can keep a small number of them. On this point, I cannot give you an answer today.

[Question] During July, you were awarded a contract to supply rockets for tactical missiles, more specifically, the Matra Super 530 D. What outcomes can you count on in this regard, and do you anticipate an expansion of your activities in this domain?

[Answer] We will in fact develop the rockets for this tactical missile, which is none other than the air-air weapons system for the Mirage 2000. There was stiff competition for this contract. Evidently, like any other enterprise seeking its own development, we hope to enlarge this possible opening into the future. Let me recall that we have previously supplied around 300 rockets for the Italian Sea Killer sea-sea missile. But this is, in fact, the first time we have succeeded in gaining a foothold in France in the domain of small rockets for small tactical missiles.

[Question] Your company prefers to talk in terms of rebalancing its activities rather than of diversifying them. Why?

[Answer] The word "diversification" has, for us, a harsh sound... The fact is we consider it easier and less of a risk to try to develop our present operating sector than to throw ourselves into openings that, for us, would be entirely new. It must be remembered that in our company, without counting our temporary personnel, engineers represent 27 percent of our staff. Our hourly rates of pay are therefore quite high and it goes without saying that our clientele will normally be those interested in advanced technologies. We have among our clients the Ministry of Defense, the CNES [National Center for Space Studies] and the AEC [Atomic Energy Commission]. But outside of these, we do not do very much in France.

Also, it is with these clients that we will be trying to enlarge our domain.

[Question] But aside from the SEP's balance sheet, strictly speaking, are you in fact satisfied with your company's juristic form?

[Answer] At the time our company was formed, there was a balance between public and private shareholdings. That configuration provided us a great deal of flexibility without denying the state a substantial degree of supervision over the SEP, a supervision made absolutely necessary by the fact of our operational ties to the Ministry of Defense. But that situation has changed. Today, 66 percent of our capital stock is held by state-owned companies, and 34 percent by private companies. I must also point out that there is an increasing tendency to regard us as a state-owned enterprise. The danger over the long term is that we may end up with more constraints and minus some advantages.

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CSO: 3100

'RIZOSPASTIS' QUOTES PARTY LEADERS ON ARMAMENTS RACE

AT131435 Athens RIZOSPASTIS in Greek 11 Nov 79 p 3 AT

[Exclusive interviews granted to RIZOSPASTIS by Secretary General of the KKE Central Committee Kharilaos Florakis and PASOK Chairman Andreas Papandreu on the question: "Peace or Nuclear Destruction?"]

[Excerpts] Peace or nuclear destruction? This broad question--in essence the dilemma of life or death--today dominates the interest of Europe and the entire world. The question of detente and security on the European continent has reached critical juncture: cessation and decrease of nuclear military armaments leading to total disarmament or return to the dangerous cold-war situations of the past with a new climax of nuclear competition.

The mortal dangers fostered by U.S. plans to install new, more developed nuclear missiles in Europe and the realistic, USSR counter proposals to prevent the new cycle of nuclear armaments competition from being threatened, are diametrically opposed, creating the most serious problem of our times. Will the calamitous aims of the Washington hawks be achieved? At the same time, in which direction must nations and all peaceful forces move in order to guarantee detente and security in Europe and in the entire world? In conclusion, which can be our, the Greek, contribution, to the great cause of peace? Without a doubt the question is of direct and practical interest to our own country. This question demands more than ever an urgent confrontation without delays or postponements. In response to this problem which has caused the concern among the majority of our people. RIZOSPASTIS questioned leading political personalities.

The questions submitted to party leaders are the following:

1--The United States plans to install new nuclear missiles (of the "Cruise" and "Pershing" types) in the countries of the European NATO members. On the other hand the Soviet Union undertook the well known gesture: to withdraw a portion of its conventional forces from Central Europe. It also proposed negotiations on cutting down the nuclear arsenal in Europe. In your opinion what repercussions can be expected from the implementation of the U.S. plan? More generally, in what direction must the problem of detente and security in Europe take?

2--How do you view the Soviet proposal that in case of a more general clash the USSR will not use nuclear weapons against those NATO members states upon whose territory no such weapons are installed? What could be Greece's specific participation in preventing a new cycle of the nuclear armaments race and in establishing European security and peace?

Realistic Overthrow of U.S. Plans

1--The U.S. decision to proceed with installation of new nuclear missiles in NATO European countries is, without a doubt, an event which will lead to the start of a new round of arms competition. It is obvious that this is an action which does not help the vital issue of decreasing armaments and strengthening security in Europe but rather it leads toward a return to the condemned viewpoint of a "balance of terror." Not only does this action stop progress of detente, the attainment of political detente through military detente, but also it looks back to the dangerous cold-war situations of the past.

Any possible implementation of the new militarist efforts of the United States will place new and vast economic burdens not only upon the American people but also upon the peoples in whose countries the new nuclear weapons will be installed, particularly at the moment when crisis within the capitalist world is continually worsening and workers' positions deteriorates. On the other hand installation of this type of new nuclear weapon fosters mortal dangers of a nuclear holocaust for the peoples of the continent and brings the threat of a new nuclear war all the closer. The vital interests of peace, security and progress dictate that there must be a determined and emphatic rejection of these dangerous U.S. plans.

The Soviet initiative and proposals for talks between the interested parties, on the other hand, lead in the opposite direction. They strengthen progress toward detente and arms limitation. They expand the positive results achieved on intercontinental missiles through SALT II and on medium range missiles. This is of vital interest to European countries since the United States, which fervently strives to deploy the new nuclear weapons, remains outside the latter's operational range. They also offer a specific and positive way out of the long years of deadlocked negotiations on arms limitation in Europe and guarantee a balance through negotiations and not through unilateral action at lower levels. Nobody has a right to ignore these proposals, provided there is a sincere interest in peace without hypocrisy.

One does not have to know the truly complicated armaments issue in order to understand the fundamental difference which exists between the two viewpoints and the radically different prospects which they open up for humanity. Realism as well as common logic forces every man of good faith to reject the position adopted by certain West European elements of proceeding with talks only after U.S. missiles are installed. It is unthinkable that we should first start a fire and then we should hasten to become the firefighters. On the other hand once a position of strength is guaranteed for NATO negotiating is in fact an unacceptable ultimatum and is an attempt to dictate conditions. This becomes even stronger at the time when the Soviet Union has stated that, within the effort of searching for balance at the lower level, it is prepared to decrease nuclear middle range weapons in its western regions.

The fact that the missile issue is, I would venture to say, of a vast historic significance does not mean that it is beyond the limits and framework of the peoples' struggle. On the contrary, it is imperative that in accordance with the seriousness of the problem, there should be a mobilization of the people as well as their coordination at a pan-European level. Any underestimation of these dangers, any lack of activity, any fatalistic views, will objectively assist the plans of the U.S. militarists.

The arms limitation problem will be unable to find its solution to the benefit of humanity if it is only limited to summit negotiations and if it fails to become a cause for the people themselves. Experience from the neutron bomb demonstrates what can be achieved by the militant presence of the forces of peace. We believe that the Pershing 2 and Cruise missiles could also have the fate of the neutron bomb as a result of the mobilization of the peace-loving people of Europe and the entire world.

2--Apart from its general weight this specific Soviet proposal also has a special significance for our country. This is because it truly provides the country with the opportunity to rid itself of dangerous situations and to take specific measures in order to protect itself against the dangers of nuclear destruction.

This Soviet initiative confirms that today there is no room for the view that the directing of international life is the exclusive monopoly of the two great powers and that the rest of the countries are limited to the role of the passive observer of USSR-US talks. It also demonstrates that the view that all countries will be inevitable drawn into the nuclear weapons armaments race and even to a possible nuclear confrontation, only serves the goals of imperialist militarist circles which are trying to incorporate the countries of capitalist Europe into their plans.

In reality Greece, like all other NATO member states in Europe is able to offer its own individual and constructive contribution to the serious matter of the nuclear armaments race and more generally to international developments. Greece can follow its own course that will both respond to the general interests of peace as well as to its own vital national interests. With a positive reply to the Soviet proposal, upon which the principles of mutual interest rest the Greek Government is offered the opportunity to prevent the introduction of the prospect of a nuclear clash on Greek territory and to virtually promote the country's own security.

If the government wants to be true to what the prime minister recently declared on peace and disarmament, it has a duty to take a clear position against the deployment of new missiles in Europe. This must be done regardless of the U.S. and NATO request for deployment of such weapons in our country, as the government alleges. In one way or the other the creation of a climate of nuclear confrontation in Europe will inevitable have adverse repercussions on our own country. The government cannot continue to pretend it is playing an active role in large scale international affairs when

at the same time it avoids a clear position on the question of new missiles under the pretense that this question does not directly affect us.

If the country is to make a positive contribution to the issue of arms limitations and if at the same time the possibilities offered by the Soviet proposals are to be utilized, it is also imperative that we must attempt to eliminate the already existing nuclear arms in Greece and to close the U.S. bases. In this way our country will cease to be exposed, on its own responsibility, to the danger of nuclear or other reprisals. Within this framework there will also be adverse repercussions from the continued consultations for our country's return to military NATO which would result in the country's armed forces being entirely placed under aggressive NATO planning directed against the socialist countries.

Despite its inconsistencies the government's position toward "a true balance of armaments at the lower level" does have its positive aspects. While the government makes such declarations, however, it appears to remain captive to the belief in "the danger from the north" in its practical approach to serious foreign policy issues, even though it rejects this danger in words.

We believe that both Brezhnev's message to the prime minister as well as the message of the parliaments of the Warsaw Pact countries to the Greek Chamber of Deputies raise the issue of an immediate response to these proposals without any further delay. Such issues of such a vital interest to our country's future as well as to the future of humanity cannot be glossed over and set aside. They require a clear and positive adoption of positions. We also need mobilization for the promotion of the cause of peace and disarmament. The militant unification and mobilization of the broadest possible spectrum of peaceful forces in this direction is of vital importance.

The Soviet Gesture is of Vast Importance

1--The Soviet Union decision to unilaterally withdraw 20,000 troops and 5,000 tanks from Central Europe is a very important gesture which opens the way toward a mutual decrease of both conventional and nuclear weapons in Europe.

The U.S. decision to install modernized medium range missiles (Cruise and Pershing) in European NATO member states has a diametrically opposite character. If carried out such installation of nuclear missiles will lead to a speedy climaxing of armaments by the two coalitions in the European area.

The problem of detente and security in Europe can be dealt with, within the framework of the Helsinki final act, only through mutual and gradual decrease in armaments by both coalitions. On a long term basis this process must lead to the dissolution of the two coalitions, NATO and the Warsaw Pact.

2--The Soviet proposal gives the opportunity to the Greek Government to proceed with speedy steps toward closing foreign bases on our territory, within the framework of a "final and irrevocable" withdrawal from NATO. Otherwise it will continue to expose our country and our people to nuclear destruction.

Over and above the closing of foreign bases Greece must also take the initiative for a coordinated effort to de-nuclearize the Balkans.

AS IN OTHER NORDIC ELECTIONS, RESULTS MAY BE INDECISIVE

Helsinki HUFVUDSTADSBLADET in Swedish 29 Oct 79 p 2

[Editorial by Henrik von Bonsdorff]

[Excerpts] A month from now Iceland, the last in line of the five Nordic countries, will hold an election in this special Scandinavian election year. This one is the result of the breakdown of cooperation in the current three-party government under the pressure of the worsening economic crisis. No matter which government the voters decide to put in power the tasks facing it are not enviable, writes Henrik von Bonsdorff.

The year of 1979 will go down in history as a true election year in Scandinavia. In March we held our regularly scheduled parliamentary election. In September the Swedes elected a new parliament while the Norwegians held municipal and county elections. Last week the Danes replaced the parliament that had been dissolved at the beginning of the month after the breakdown of the Social Democratic-Liberal coalition government. And at the beginning of December it will finally be Iceland's turn to go to the polls and elect a new Althing.

The main goal of the three-party government was to lay the foundation for a firm and deliberate renovation policy that in the long run could lead the country away from the vicious circle, the almost chronic crisis that has characterized the Icelandic economy in the last few decades. A relatively ambitious plan was outlined by the end of last year. It was aimed at fighting inflation, in the first round getting it down below an annual level of 30 percent--a relatively tolerable figure under Icelandic conditions. This aim was to be realized through some rearrangement of income policy--stressing low wages, among other things--along with intensified price controls. The treasury would be kept in balance with increased taxes on high incomes and some taxes on business. Surplus agricultural production would be cut back, productivity would be improved by means of effective investments while fiscal policy would be kept in tight check.

However it was not until the beginning of April 1979 that the government succeeded in pushing through its proposal for a "Law on the Management of the Economy and Measures to Secure Employment and Reduce Inflation and Contribute to Balance and Progress in the National Economy"--to quote the long title of the document. By then the discussion of this measure had led to such severe internal conflicts within the coalition that the threat of a crisis already seemed acute. But after severe convulsions they managed to arrive at a compromise one more time. However it was already obvious at that stage that the goal in the fight against inflation could no longer be achieved. The government had missed the bus.

During the spring and summer Iceland was hit by lengthy labor unrest that included a destructive strike of the commercial fleet that lasted several months. When on top of this the oil nations' price hikes hit the fishing industry--which has a dominating effect on the Icelandic economy--with full force it began to be obvious that the government was losing control over developments. It was forced to resort to emergency laws imposing oil taxes of 7 and then 15 percent on the price of fish in order to keep the fishing fleet going, it was forced to guarantee credit assistance to oil companies to keep the oil flowing, it promised the fishing industry that it would devalue the krona. Negotiations with the Soviet Union--from whom Iceland buys all its oil products at prices corresponding to the level on the Rotterdam market--on an easing of terms led to no result. Further setbacks in the oil sector are therefore feared.

When the political fall season began in early October economic prospects looked bleak, to put it mildly. Inflation is expected to reach 60 percent or even more this year. At the beginning of December a new index-regulated wage increase is coming up which the hard-pressed economic sector cannot tolerate under current conditions. This will lead inevitably to more intense price pressures. And at the end of the year it will be time for the contract negotiations for the entire labor force with all the problems this will create in the harsh crisis situation.

It was against this background that the Social Democrats decided to break up the government. Party boss Benedikt Grondal openly expressed his displeasure that the government wasn't getting better results especially in the fight against inflation. He emphasized that the tactics of using provisional measures made a long-range solution impossible. The Social Democrats for their part had in many areas called for a firmer austerity line--without putting a straitjacket on the labor market. Since the government is unable to agree either on measures against the galloping inflation or on guidelines for next year's budget policy the Social Democrats will "no longer play along," Grondal said.

Although Grondal's criticism is a partisan statement it is quite clear that the three-party government failed utterly in the economic sphere. It is true that the government has been fighting against difficult odds.

And no one can know for sure whether any other coalition government would have done a better job. In any case Johanneesson's coalition was obviously so worn-out that an appeal to the voters was well-founded. The opposition, the conservative Independence Party, the biggest party in the Althing and the ruling party from 1974 to 1978, should have every chance of success in the campaign. If the party makes good use of its opportunities it has an excellent chance of regaining government power, possibly in combination with the Social Democratic Party whose line is relatively close to that of the Independence Party. The two have ruled together in the past, even though that had very negative consequences for the Social Democrats.

But of course there is no guarantee that the voters will give a clear indication of which solution to the government problem they prefer. The people of Iceland may follow the pattern in the other Nordic countries this year. No matter which government takes over in December it will face a task that is anything but enviable.

6578

CSO: 3109

COMPENSATION AGREEMENTS IN EAST-WEST TRADE DISCUSSED

Rome POLITICA ED ECONOMIA in Italian Jul-Aug 79 pp 60-64

Article by Antonio Casu

Text . . . 1. There can be no doubt that economic and commercial cooperation between western nations and socialist countries, along with free circulation of people and ideas, constitutes one of the essential postulates for detente, for disarmament, for moving beyond bloc politics, and for building a new international economic and social order.

The two-way flow of East-West trade that has been going on for some time now, albeit amid difficulties and conflicts, is taking on increasingly substantial and significant dimensions in relation to the scope of technical levels involved, the kind of goods offered by both sides, and the geographical and economic areas affected.

And of course for Italy, staying in there as a permanently active part of so vast a process -- preferably not bringing up the rear -- is of fundamental importance for at least two orders of reasons.

In the first place, international cooperation of necessity involves daily reexamination of the causes for the rise and spread of economic recession: the sort of analysis that leads ineluctably to an awareness of the urgent necessity for adoption of a policy effectively aimed at a restoration of the domestic market and at broadening the nation's productive base. All this must be done with an eye to bringing exports up to the scope and impact of imports, with particular attention to the technological orientation we could suggest as acceptable for goods offered in exchange for our energy requirements. That, after all, is a sector in which we are already aware of our dependent and subordinate status vis-a-vis international economic politics as pursued by the emerging and developing nations as well as by the socialist countries.

In the second place, we must take careful note of the fact that this particular kind of two-way exchange (with the Eastern nations as well as with the Third World) is not manifested solely in trade as such, however important that may be, but also, and with no less intensity, in a dimension that partakes of the political, the civil, and the cultural.

One of the nerve centers of this interchange, by reason of its everyday operation as well as of the relative novelty of the generalized use increasingly being made of it, certainly has to be compensation agreements.

It was thus no accident that the Helsinki Conference on Security and Cooperation in Europe, in its closing resolution, makes particular mention, among patterns of cooperation suitable for increasing cooperation, especially industrial cooperation, of "cooperation in the form of building industrial plants and accepting as payment a portion of their output."

2. Compensation agreements are coming into use in the wake of the spread of clearing agreements since their appearance in the Thirties.

Most particularly, compensation agreements, along with payment agreements and other similar instruments, go to make up an effort to restore the natural flow of imports and exports which the clearing process, by its bilateral and balanced nature, used practically to govern.

Compensation arrangements thus represent a specific species of the genus clearing agreements, one the effects of the latter as mentioned earlier have not managed to cancel out. As a result there is a very close connection between compensation arrangements and exchange controls in the individual countries, as there is between compensation arrangements and the fluctuations in the foreign exchange balances of the two countries concerned.

Also worthy of consideration is the fact that the continuous character of compensation payments is closely correlated with the course of the socialist countries' five-year plans. This potential limitation is offset, on the other hand, by the advantage of dealing with a single trading partner, and a partner, furthermore, vested with the dignity of the state.

The most outstanding examples, from the beginning of such arrangements up to the present, have been the accords signed by our country and the Soviet Union through the major Italian industrial conglomerates (FIAT, Montedison, ENI, etc.). These experiments have made notable contributions to the growth of the

chemical sector, for one, involving more than half a million workers for the prime contractors and allied activities.

This massive flow of initiative of course involves the major industrial nations on the one hand and COMECON on the other. Negotiations between the EEC member nations and COMECON, or other third countries, are handled directly by the competent bodies of the European Community, and have been ever since 1 January 1975.

One statistic worth thinking about is the number of industrial cooperation agreements reached by the COMECON nations with western business interests (thus excluding all purely intergovernmental agreements) which, including standard overall agreements, specific operational agreements, and joint ventures, come to a startling 2,302.

Under way right now, for instance, is a deal under which Italy is furnishing the USSR with various kinds of industrial equipment worth a total of \$1.2 billion.

Imports worth an equivalent amount are called for, mainly in the form of chemicals and natural gas.

The currently favored procedure for planning this sort of intervention is to launch medium- and long-term bilateral programs to deepen economic and industrial cooperation (as was done with the current agreement between Italy and the Soviet Union signed on 20 November 1975), involving creation of ad hoc joint commissions made up of Italian industry people and their opposite numbers from the socialist countries who have had many occasions to voice their approval of the work done and of that contemplated.

3. There is no doubt that the socialist countries look with particular favor on these agreements which call for the construction of plant facilities as a part of collaboration with foreign firms. The plants when completed become the property of the socialist state, and the costs of licences, of know-how, and of credit are paid out of the production of these or other plants over an agreed-upon period of time.

But, since this approach, which is now common to all the socialist countries, still gives rise to sometimes major differences in interpretation on the part of the western partners, here is how the Soviet review FOREIGN TRADE (February 1976) seeks to dissipate some of the doubts and perplexities:

"The reciprocal advantage derived by seller and buyer under such agreements depends on their very nature, which calls for the initiation of broad-based technical and scientific cooperation

and the establishment of solid business relations. In other words, compensation agreements are merely a modern and efficient model for international economic contracts, which is gradually coming into universal favor/. Compensation agreements make it possible to diversify relations between partners within very broad bounds, with an eye to guaranteeing the maximum advantage to all parties to the agreement."

4. Just as the socialist negotiator is concerned with showing the western businessman the advantages he stands to enjoy under a compensation arrangement, the western businessman in turn tends to look more analytically at the reasons why such agreements are gaining in popularity. The top Italian industrial conglomerates argue that the support such agreements enjoy from socialist governments derives from their concern with keeping a tight lid on any distortions caused by the increase in two-way exchanges in the financial and employment area, which explains why they restrict compensation in kind to homogeneous industrial sectors, and refuse to allow compensation different in nature from the import.

This, they argue, is the real source of the phenomenon, rather than "barter," as some westerners maintain.

Some of our biggest industrial sectors (FINSIDER, for one) have recently called attention to the impossibility of keeping compensation agreements going over the long run in some areas -- most of all in the field of plant construction -- because of the gradual industrial erosion such agreements would mean for the exporting country.

These concerns are reflected in the assertions of immediate and urgent need for expansion of the sphere of partially state-owned engineering firms, concerned primarily with industrial planning, as well as of marketing corporations whose primary concern would be providing incentives for exporting surplus products to third countries.

One of the main criticisms directed at the big conglomerates is the often-heard charge that they monopolize both commercial and industrial trade with the socialist countries. These same critics also charge that compensation shipments for such deals -- for which big industry writes the shopping lists -- mean trouble for smaller industry on the domestic market. The response offered in support of the propriety of the market orientation the big corporation claims is its policy cites its intimate links with the tightly-woven fabric of small and medium industrial producers.

In other words, while on the one hand monopoly capital does indeed coordinate and steer compensation in kind, on the other

hand it is equally true that the other side of this monopoly "management" activity is the enrichment and upgrading of the whole fabric of services. This would come about, the argument runs, both as a function of the complex of civil and industrial establishments relating to the plant exported, and of the careful and skilled outfitting of the plant itself, or training cadres, and of providing more experience to more people. Thus what this really amounts to is a process of harmonizing domestic industrial development, admittedly a very complex process, but one of enormous value not only to big industry, but to small and medium industry as well.

5. That sort of rationale evokes disquieting questions as to the real advantages smaller companies can derive from compensation agreements. The questions have to do with the criteria used for selecting companies, and with how the criteria themselves conform with the methods and goals of economic policy in relation to industrial reconversion.

Italian small and medium industry spokesmen do not deny that the big conglomerates, whose willingness to participate is essential to reaching such agreements, can count on the biggest advantages stemming from compensation agreements: oftenest cited among these is the security of guaranteed supplies of goods they want over a stipulated period of time, not to mention including such goods -- when they are something new -- among the products the corporation offers on the domestic market, with a consequent steady consolidation of the market position it already has established.

What the small companies are asking, as they have every right to do, is a chance on their own of access to the socialist markets, through cooperation. They want access for all areas of production, not only for those having ties or subsidiary agreements with the usual round five monopoly conglomerates.

6. At this point we can try to arrive at some sort of understanding, sketchy though it may be, of compensation agreements, beginning from some of the major points of view:

a. Compensation agreements are not tantamount to barter.

What actually happens in a compensation arrangement is that two different and complementary contracts are entered into (one for imports and one for exports). In addition to these two contracts there is a credit agreement. All three can be reduced to unity in the same object, that of economic cooperation, whereas in a barter arrangement there is none of this.

Finally, there is no binding connection between commitments to repay the loan and delivery of the goods produced in the plants,

which go to make up the source of the foreign currency fund earmarked to offset the costs of importing this or other plants. Hence the socialist banks' commitment insofar as credit is concerned is autonomous and independent of the progress as well as of the actual start of plant deliveries.

b. Insofar as /legal status/ is concerned, compensation agreements are covered in the following documents:

contracts signed as part of the overall agreement, with stipulation of the import and export contracts both deferred; and

contracts signed at the same time for imports and exports, without any prior agreement.

c. Insofar as concerns the /commercial status/, or, in other words, the goods delivered in compensation for the import purchase, there are two types of contracts:

contracts calling for delivery of the plant's output, in payment for its construction; and

contracts calling for delivery of goods similar to those of the plant involved in the cooperation agreement, but from another plant or plants, but in any case with prior consent by both parties to the contract.

d. As to /operational status/, and hence in relation to the aims pursued through cooperation, compensation agreements are classified as follows:

projects for prospecting for mineral energy sources and natural gas, with reimbursement of the loan in case the research pays off;

projects for developing natural and energy resources already known;

projects for building new plants, or portions thereof, in exchange for payment in the products of those or other plants, and

projects for updating, expansion, or improvement of the productive process in plants or parts of plants already in existence and operating, in exchange for payment in products of these or other plants.

e. Lastly, speaking now of the /financial status/ of such agreements, assuming that Italy shows a negative balance of trade with the socialist countries (which it does with all of them except the Soviet Union), it must be emphasized that the international money market supports primarily those projects which guarantee the continuous nature of the flow of trade from

the planned economy countries to the market economy countries and vice versa, which do not compromise repayment of loans. Such agreements are mostly industrial cooperation projects oriented toward the formation -- albeit only informal but already under way -- of joint ventures.

7. One possible and ever present danger is that such approaches might generate untoward effects on the employment level and on the steadiness of the market. To avoid this danger priority must be given to those agreements which fit into the context of industrial reconversion. Such precautions would entitle the agreements in question to apply for intergovernmental loans. This category of loans is also designed to encourage agreements aimed at cooperation and cofinancing of projects to be undertaken in third countries (what is known as triangulation), where the varying potentials of access for Italy and the socialist countries are truly complementary. This, though, is another point in East-West trade which deserves specific analysis and thorough debate.

8. At this point it is time to sum up the pluses and minuses in all this, so as to make a start at formulating some considerations which might make further contributions aimed at an increasingly complete and practical familiarity with the phenomenon.

Compensation agreements, in the aspects we have so briefly explored, are already emerging as an adequately homogeneous and familiar type of international agreement. Involving as they do the whole heritage of interests and the baggage of experience inherent in trade between two disparate and antagonistic economies -- which, however, are both clearly tending more and more to a shared concept of working and planning arrangements -- it is indispensable to take due note of their development and to apply ourselves firmly to an analysis of the impact of such agreements on our economy and on our foreign trade.

Invented some 15 years ago, by the energy and the lively spirit of initiative that marked Italy's major industries during the years of the so-called Italian economic miracle (at a time, that is, when the new model for Italy's industrial development was taking shape over the years from 1955 to 1960), they have experienced a slowdown analogous to and consequent upon the slump in the planning pace of the economic leadership, which found itself facing tensions and conflicts which were not merely economic -- but also, of course, social and political -- which were inherent in that economic policy uniformly committed to reaping the fattest possible profits while neglecting anything like an overall plan for rationalizing the productive system so as to ward off the imbalances and distortions which would be so starkly manifest later on.

Lacking support even from a flexible and professionally staffed government organization, which would provide adequate monitoring for developments, compensation agreements were in fact flatly obstructed by inefficient ministerial structures, by the inadequacy and the lack of professional qualifications at the middle levels of the government offices involved, and by vague and sloppy planning of government intervention.

With things going that way, compensation agreements, albeit in random fashion, were allowed to remain the fiefdom of a handful of the bigger conglomerates which continued to earmark funds for such research and initiatives which, partly as a result of the political "thaw" between the two blocs, yielded very valuable fruit indeed. But then developments in the social and political situation put not only compensation agreements, but the entire capacity of this nation to plan and direct industrial development, back on the agenda for open challenge and discussion.

Compensation agreements can and must be managed efficiently only as part of a decisive change of course, running through a broadening of the base of production and upgrading of the domestic market, as we said at the start of this article.

Whatever the tools needed to achieve these goals, it is up to parliament, the parties, and the unions to provide them. We can, though, glimpse even now the route they will take, from an examination of the general indications which the economic and political turmoil of recent years has brought to light. And, finally, only this kind of planning can ensure respect for the fair distribution of social costs which, in the context of an organic and democratic policy for socio-economic development, can restore to small and medium industry and to the cooperative sector -- whose role is still the most problematical and pregnant with implications, not only in the field of compensation agreements -- the future that is theirs by right and which is essential if we are to emerge whole from the crisis our nation is passing through.

6152

CSO: 3104

FOKKER TO EXPAND F-27, F-28 AIRCRAFT PRODUCTION

Rotterdam NRC HANDELSBLAD in Dutch 8 Nov 79 p 11

[Article by F. Den Houter: "Fokker Will Expand F-27 and F-28 Production"]

[Text] Schiphol-Oost, 8 November--Because of the continuing successes it is recording in the selling of its two passenger aircraft, the F-27 and F-28, Fokker is going to expand the production--now amounting to 26 aircraft per year--over the short term to 40 aircraft, and perhaps to 60 or 70 per year at a later stage. Fokker's top man, Dr F. Swarttouw, also announced yesterday that the project for an entirely new and large passenger aircraft, the F-29, is arousing the necessary amount of interest. They are going to find out whether Boeing will be able to deliver certain 737 fuselage parts for the F-29 as a subcontractor.

The F-27 (the Friendship), 697 of which have now been sold, continues to be the target of interest on the part of the airlines. Sales are not bad for the F-28 Fellowship, too. It is a smaller jet plane. This year, 16 of the latter are to be sold, and that is twice as many as were sold last year.

The result of discussions between VFW [United Aeronautical Works] and Fokker has been that they have decided, in principle, to cancel the merger of the two firms which was concluded in 1969. "It is not unthinkable that it will be possible to finish the discussion regarding the undoing of the merger before the end of the year. It is now a matter of minimizing the harm incidental to the whole process which has been caused," said Mr Swarttouw.

It has been agreed with Airbus Industrie that Fokker will participate in the production of a number of parts of the A-310, and, indeed, for 1.25 percent.

The competition stipulation previously desired by Airbus is not under discussion any longer, and individual Airbus partners will be able to participate in the F-29 in the future, Mr Swarttouw said.

"A year ago, we laughed about this project, and I was told, 'You can save yourself the trouble of going to America or Japan for it.' Now we have a number of contacts," he said. "The Japanese are interested and will study the project, which has been put before them in detail, carefully. In addition, there is now the previously-mentioned temporary agreement with Boeing, while contacts have also been made in a European context. Whether the project--a market for about 1,500 F-29's exists--will get off the ground is the question, but we will do everything we can," said Mr Swarttouw.

In regard to the reorganization of Fokker, he said, "Not everything worked out in the first round, but nothing broke down.

"Fokker can scarcely continue to exist with a turnover of 1 billion guilders. We will have to have a turnover that is two or three times that large. In addition, productivity will have to be increased and costs will have to go down. Furthermore, we will always have to be working on at least three programs: one of them a project which is coming to an end, one a project which is in full swing and one entirely new development. That is why we are going to do everything possible to get the Super F-28 project off the ground. "We are fighting for our lives. We know that we are supported by the government in doing so, but we are still suffering from the tarnished image of the company's past. However, Fokker now is looking to accelerate," Swarttouw said.

The original F-29 project provided for a jet aircraft carrying 119 passengers. After an extensive market survey had been carried out, it appeared that most airline companies were strongly biased in favor of a cabin with six seats in a row instead of five. Thus, the passenger capacity can be increased to 132.

The project for the F-29 which is now in the process of being prepared is to be presented to a large number of airline companies.

Then Fokker hopes to be able to settle on the final design and begin preparing its production, with the help of foreign partners.

According to plan, the F-29 is to make its first flight in 1983, and then it can begin to be delivered to purchasers in 1985.

Two type of engines have come under consideration for the F-29, the Rolls Royce RB-432-05 and the General Electric/Snecma CFM 56-3.

The Japanese are also interested in the Fokker project against the background of a contract with Rolls Royce. Mr Swarttouw says: "We are being taken seriously by the Japanese. Their attitude toward the big American aircraft construction companies is not very favorable, and in fact they prefer to do business with a somewhat smaller organization on the same level."

A Dutch team is to take part next year in an air race for contestants from all over the world which will be organized in commemoration of the Battle of Britain in 1940. The management of the foundation called the Dutch Air Race Team of The Flying Dutchmen has gotten a Fokker F-27 Maritime which now is still under construction on the Fokker production line put at its disposal.

9258

CSO: 3105

EMBASSADOR TO KUWAIT ON SPANISH ATTITUDE TO PALESTINIAN PROBLEM

LO/1101 Kuwait AL-SIYASH in Arabic / Nov 79 p 1

(YASHI Spain report)

[Text] Spanish ambassador to Kuwait Fernando Schwartz Giron has revealed that following PLO Executive Committee chairman Yasser 'Arafat's visit to Spain last month, the Spanish Government has been subjected to political and economic pressures by world Zionist groups and members of the European Common Market.

In an interview with AL-SIYASH, the Spanish ambassador said these elements exerted pressure on the Spanish Government after Spain had officially received Yasser 'Arafat--the first European state to do so--supported the establishment of an independent Palestinian state and recognized the PLO as a [as published] legitimate representative of the Palestinian people. At the same time, the Spanish Government insists on not recognizing Israel and on rejecting the occupation of the Arab territories.

The ambassador emphasized that his country will not change this stand until an independent Palestinian state has been established, Israel has withdrawn from the occupied Arab territories and a just and permanent peace has prevailed in the area.

Schwartz Giron said that the Spanish Government is interested in and is following the efforts the PLO is making to assert its international legitimacy and obtain recognition by most states. The ambassador said that his government believes that it is necessary to work for the establishment of a Palestinian Government in exile, describing it as an important point and a phase that is necessary for political action and diplomatic dealings with world states.

The Spanish ambassador affirmed with world states.

The Spanish ambassador affirmed his country's support for any amendment the PLO proposes to UN Resolution 242 to regain the legitimate rights of the Palestinian people and not to regard them as refugees.

The ambassador added that Spain supports a peaceful solution to the Palestinian problem rather than a solution through war. He said his country is also in favor of going back to the United Nations for the adoption of serious and practical steps to achieve a just and lasting solution for the Palestinians.

Replying to a question on the possibility of his government contributing to Palestinian moves on the international level, the ambassador said that Spain would be prepared to play any role that would serve the Palestine cause and bring about a solution to the Middle East crisis should the Arabs and Palestinians ask it to do so.

He added that Spain could also make positive efforts to bring the U.S. and Palestinian views closer because it believes that the Palestinian cause is just and legitimate and any solution to the Arab-Israeli conflict that does not take into consideration finding a solution to the Palestinian issue would mean continued tension in the area.

The ambassador, however, emphasized that any initiatives or specific ideas for a lasting solution must emanate from the Palestinian people because the cause is theirs. Any other efforts would be just contributory and complementary.

Regarding Spain's official recognition of the PLO, the ambassador said that Spain was the first European state in which the PLO opened an office. Therefore, we deal with the office as the PLO representation in Spain. As for diplomatic recognition, this takes place among states. For this reason we support the establishment of a Palestinian Government in exile. Once this government is announced Spain will be the first country to accord it diplomatic recognition.

The ambassador expressed his country's interest in Arab solidarity and in coordination among the area's states for international development and cooperation. He lauded his country's relations with the Arab states and the recent development of the political and economic relations between them.

The ambassador pointed out, however, that economic relations between the Arab countries and his country are below the standard of the political relations. Therefore, more joint efforts and cooperation are required to achieve the desired cooperation, especially now that Spain has attained an advanced level in industry and technology and is regarded as the tenth industrial state in the world. Arab investments and industrial markets can therefore benefit from the advanced expertise enjoyed by the Spanish economy.

LIBRE FOR FALLDIN GOVERNMENT LESS PROMISING TODAY THAN IN 1976

Stockholm: Dagens Nyheter in Swedish 10 Oct 79 p 6

[Documentary by Sven Svanesson]

[Text] The only really interesting thing about the new Falldin government is:

How long can it survive this time?

The answer to that is not so simple. However, there is very strong pressure to stay in 3 years, for a change.

On the other hand, Falldin's position today is much less attractive than in 1976. At that time Falldin was completely uncontested and enjoyed a unique position among the nonsocialists. He lost that position due to incompetence and completely unnecessary decisions.

If it is possible that Falldin learned something from the past experience, that would be a change for the better. The situation in parliament as well as in the economy calls for a flexible person with considerable negotiating experience and the ability to cooperate.

Other factors point in a different direction, giving reason for concern.

In 1976 Falldin declared he would not compromise his conscience for any official post in the world.

In 1979 we have quite the opposite situation. Falldin is so desirous of the prime ministerial post that he is prepared to do anything to gain it back.

His attitude is governed by three different motivations:

1. A personal desire for revenge.

2. Believing it is possible to govern in spite of the catastrophic election defeat.

1. Believing that the prime ministerial post will guarantee victory for the "no" side in next year's popular vote.

Conclusion

However, these three motivations do not provide a good basis for sound government cooperation among the three nonsocialist parties. Udden always leans toward the other parties, if not always toward the Social Democratic Party. Therefore, one might readily assume that the next Falldin government contains the seed of its own destruction, primarily because the Conservatives are growing stronger all the time.

Believing that the Center Party can govern in spite of the election defeat is little more than a pious hope, considering the difficult economic situation we are in. Experience tells us that, after losing one in four voters, a party's chances would be enhanced by consolidating its policies and building a new opposition platform.

Conservative Profile

In a government situation, special demands will be made on Falldin's willingness and ability to compromise. A unique talent in that direction will be required if the government is to succeed and get its proposals through Parliament with a mere one vote majority. The fact that the Falldin government will have a decidedly Conservative profile from the beginning does not make matters any easier. There are more Conservative cabinet ministers now than in the old government and, as prime minister, Falldin will have to take Bohman into account. This will be held against Falldin, not only by Falne, but other critics too.

The composition of the next Falldin government will not reflect the political situation; the Left-Wing Communists Party gained votes at the expense of the reformists. It will become more difficult to negotiate wage agreements and organized labor is preparing to fight the conservative forces.

Reality

Falldin has fueled these sentiments by openly pursuing his dealings with Bohman. After Falldin's visit with the speaker, Bohman has not only formally endorsed Falldin but has also actively campaigned for Falldin as prime minister. Falldin is repaying with Conservative cabinet ministerial posts. Government dealings do not provide a tidy view of the parliamentary corner.

The situation is clearer with respect to the third point. With Falldin as prime minister, "no" voters will have a figurehead to relate to when voting on nuclear energy, though tarnished after the splendid election defeat.

Udden has shown no objections about placing Falldin in the limelight, although the move is hardly in accordance with Conservative voters' opinion or that of Bohman himself.

Bohman is only interested in a three-party government with Falldin as prime minister; hence, in radio and TV debates, Bohman usually explains what Falldin actually means. How does Falldin react to the personal insult from Bohman? On this 11-10-71 Wednesday Bohman answered that question on Falldin's behalf.

Extremely Sensitive

Talk of cooperation between Left-Wing Communists and the Center Party was just nonsense, according to actual government negotiations. Feeling threatened by Bohman's expected election procedure, Falldin was glad to have Vilsten's cooperation on the issue of taxes and the economy. Wanting to become prime minister, Falldin had no objection to Bohman's services.

Inside government dealings have led to greatly deteriorating personal relations on all levels. This is perhaps the most serious threat to a three-party government.

Cooperation between Vilsten and Falldin will not work. The Center Party and the Liberal Party must diligently work to define their policies, otherwise the Conservatives will gain many votes. Indeed, Falldin government will be extremely sensitive to election barometer readings.

END

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VPK PROTESTS FAILURE TO GET PARLIAMENTARY COMMITTEE SEATING

Stockholm DAGENS NYHETER in Swedish 10 Oct 79 p 7

[Commentary by Magdalena Ribbing]

[Text] New and strict parliamentary limits emerged Tuesday as members were chosen to sit on the 16 working committees in Parliament. Sharp words were spoken from the rostrum and the Communists marched out of the chamber in protest. But the selection reflected the wishes of a nonsocialist majority--no Communist on any committee and a nonsocialist majority on all committees.

The new Speaker Ignemar Bengtsson first announced that the selection of the speaker had been initiated by four Conservatives "and one other person who is not a member of Parliament and could not be identified." The selection will be explained on Wednesday.

Left-Wing Communist Party (VPK) group leader C.H. Hermansson responded first:

"Nonsocialists are taking--to refrain from using a stronger word--most of the committee seats, which is in direct violation of a parliamentary recommendation last spring to distribute the committee seats on a proportional basis. A party which received well over four percent of the popular votes (a party must get four percent of the popular votes in order to be represented in Parliament) has the right and the duty to be represented on all committees.

"The nonsocialists are coldly disregarding parliamentary principles. Do you really think you are setting a good example for the Swedish people by doing this?" asked C.H. Hermansson.

Regrettably

A loud murmur was heard in the well-filled chamber when C.H. Hermansson described how in the last few days the Conservative speaker had passionately advocated that all parties be represented in proportion to the popular election results.

Owen Aerial Midgard, the Conservative spokesman, said it was regrettable that VPK would be without representation on any parliamentary committee. The conservatives had planned a compromise, adding more seats on four committees and giving these seats to VPK, together with another seat which the Social Democrats had previously offered to relinquish. The compromise fell through when it was protested by the Social Democrats.

Voters started to seal the printed ballots they had received earlier as they were called to the rostrum in an orderly fashion, forming a rapidly moving line and handing their ballots to Ingemund Bengtsson. He, in turn, dropped each ballot into the ballot box—a beige wooden box.

Individuals

In line were Ulf Palme, followed by his colleague Gosta Bohman and newly elected Carl Bildt, as well as several likely cabinet ministerial candidates: Karin Anders, Anders Dahlstrom, Svart Nergard and, a considerable distance away, Olof Palme. He, too, will again be prime minister of Sweden. He unhesitatingly left the chamber after handing in his ballot.

The ballots were counted and recounted and Speaker Ingemund Bengtsson announced the results: the three coalition government parties—the non-socialist parties—the Social Democratic Party as an alternate and then the individual ballots for the left-wing Communist Party (VPK).

The closed ballot was used to select members to the legislative and the Finance Committee. One vote was invalidated because a member had placed two ballots, voting for separate parties, in one envelope. Otherwise, everything was in order this time. The socialists received 168 votes. The Social Democrats 148 and VPK 12 votes on the first ballot.

Vote of Power

Following the closed-ballot selection, the chairman of the Social Democratic Party, Olof Palme, suggested that all other committee members be selected without voting:

"The Social Democratic bloc considers the closed-ballot selection to be a clear sign of power which could impede and undermine the remaining work of the national assembly. This selection shows that the weakened center parties lack the power and the will to spurn the Conservative forces, which are growing stronger. They are even prepared to disregard basic democratic principles."

Later in the afternoon when the selections were announced in the chamber, Ulf Palme declared that the Left-Wing Communist Party considered the voting undemocratic. All VPK members got up and walked out of the chamber, protesting the selection of committee members.

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Nov 1978

LKAB PLANNING TO BUY CANADIAN COAL, URANIUM

Stockholm DAGENS NYHETER in Swedish 22 Oct 79 p 38

[Commentary by DN Correspondent Harald Hamrin]

[Text] A delegation from LKAB has signed a tentative agreement concerning delivery of large quantities of coal from Canada. The agreement will become final if next year's nuclear energy vote results in a victory for the "no" side. If the "yes" alternative wins, Sweden could be the recipient of large amounts of Canadian uranium instead.

DAGENS NYHETER (DN) has learned that a so-called Letter of Intent was signed when an 11-man delegation from LKAB visited Vancouver, Canada last month. Other countries in Europe and elsewhere in the world have also negotiated coal deliveries from Canada in the last few months.

"As far as Sweden is concerned, we are talking about very, very large amounts of coal," a source in Calgary told DN.

Calgary, located in the West Canadian Province of Alberta, has become Canada's "energy capitol" in the last few years, serving as the main office for a number of Canadian enterprises and foreign subsidiaries dealing in oil, natural gas, coal and uranium.

Sweden Inc.

It is not known exactly how much coal is involved in the tentative contract.

"All I can say is that its magnitude is of 'national importance,'" according to DN's informant. "Sweden Inc., actually stands behind the coal agreement, not LKAB. Primarily, LKAB is playing the role of import agent."

According to the same source, the Swedish coal agreement includes two types of coal, the so-called metallurgic and thermal coal. Metallurgic coal, which is used in the production of steel, among other things, falls within the category normally used by LKAB. Thermal coal can be used in the operation of coal-fired powerplants.

This explains the link between the tentative Swedish/Canadian contract and next year's popular vote in Sweden. If this vote results in a freeze and eventual cut-back of nuclear energy here, it might become necessary to build coal-fired powerplants. That would greatly increase our need for coal.

According to another source, LKAB's counterpart is the Calgary based Denison Mines Limited, which has an interest in most of the energy fields, such as oil, natural gas, coal and uranium. Canadian law is the reason negotiations between Sweden and Canada took place in Vancouver and the tentative agreement was signed there. The coal actually comes from deposits in northern British Columbia and, therefore, the Denison office in that province is formally responsible on the the Canadian side.

According to DN's source, the same company has also negotiated large deliveries of coal to South Korea and Romania, among other countries.

Uranium

According to what DN has learned, the LKAB on its visit to Vancouver also discussed deliveries of Canadian uranium to Sweden in the event the popular vote showed a victory for the "yes" side. Canada has large supplies of uranium, primarily in British Columbia and Ontario. If needed, Sweden can get uranium from both of these provinces, according to our source.

Transportation

There are certain problems connected with transporting large amounts of coal like this from Western Canada to Sweden, but they are far from unsolvable. The large cargo ships which would have to be used--300,000 to 350,000 tons, according to reports--cannot go through the Panama Canal, but would be forced to take the long route around South America and Cape Horn.

Another transportation link between Western Canada and Europe--not only in connection with future coal deliveries to Sweden--might be the northern route through the Arctic Ocean and along the Siberian coast, which for all practical purposes has been closed up to now. Business circles in Calgary are anxiously awaiting a Soviet experiment with an icebreaking convoy from Vladivostok to Murmansk this winter.

If the results are encouraging, new possibilities will open up for Western Canada, which has a wealth of raw products, to export its gigantic resources of coal, for instance, via the Bering Strait and the Arctic Ocean to Western Europe.

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FUTURE COST OF NON-NUCLEAR ENERGY ALTERNATIVE WEIGHED

Stockholm DAGENS NYHETER in Swedish 10 Oct 79 p 7

[Commentary by Sven Svensson]

[Text] The end of nuclear power means increased oil importation, to the cost of 4 billion kroner a year for the period 1983 to 1985, according to figures from the Department of Economy, which has been studying and preparing a report on the effects of a nuclear energy phase-out. VECKANS AFFARER reports on a similar study by experts, which claims that a nuclear energy phase-out will necessitate the construction of 14 new coal-fired powerplants and that the price of electricity will go up sharply.

The different studies have led representatives from the Center Party, the Left-Wing Communist Party and the Environmental League to disclaim the government's report.

The Department of Economy's study of a nuclear energy phase-out was prompted by a long-term Swedish fiscal policy, which calls for balanced trade until 1983. This date was later extended to 1985.

By operating only six nuclear plants, Sweden would have a shortfall of about 23 TWh (billion kilowatt hours) a year. Until 1985 this could be compensated for by maximum production at oil-fired power plants. In that event, oil importation would have to be increased by five million cubic meters annually between 1983 and 1985, which at today's prices would cost 4 billion kroner a year.

To compensate for nuclear energy, an estimated 20 million kroner in corporate investments will be needed over a 10-year phase-out period. Annual investments of 2 to 3 billion kroner will be required by 1980.

Purchasing Power

In order to cover the increased cost of oil importation, Sweden must hold down its prices. This, in turn, would put great pressure on wages and

profits, according to the Department of Economy. Industry would require enormous investments beyond those needed to restore a trade balance.

Annual growth in private consumption will drop, from an estimated 2.2 percent to 1.4 percent long term. This will only guarantee pensioners' cost-of-living increases. The working generation cannot expect an increase in its purchasing power, according to the department study.

Limited

However, the major effects of a nuclear phase-out will not be felt until after 1985, when room for growth in private consumption will be equally limited due to needed investments to replace power plants. Our dependence on oil will also affect the trade balance, which, in turn, will necessitate rapid structural changes within Swedish industry since certain energy-sensitive branches will have profit problems. This will require greater mobility among labor since those branches affected by higher prices for electricity are heavily concentrated in certain regions, like Norrland and Bergslag, Department of Economy experts point out.

This is confirmed by a similar study reported in VECKANS AFFÄRER. Coal is the only suitable source of energy for such rapid development, according to the study. If we decide in 1980 to build coal-fired powerplants, six such plants could be operational by 1990. There are proposals to construct coal-fired powerplants in Karlshamn, Forsmark and Sunnas, outside Soderhamn.

Another eight coal-fired powerplants could be put into operation between 1990 and 2000. Five of these should be located in Skane and Southern Sweden. Heating plants and hot-water exchanges should be built in six different locations by 1990, including Malmo, Norrkoping, Stockholm and at Sodertorn.

LKAB estimates that without nuclear energy Sweden will have to buy 18 to 20 million tons of coal annually in the late 1990's.

Experts figure that the price of electricity will go up to 50 percent as a result of the change-over. The pulp and paper industry must be concentrated in a few places in large mills and the aluminum smelting plant in Sundsvall will no longer be competitive.

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